

# Showing 26 responses

All public lighting assets should be included including luminaires on ED poles. Access to power poles should be a right at no cost in the same way that power poles occupy road reservations.

7/3/2015 12:29 PM View respondent's answers

I believe the AER is understaffed and is looking to shed some workload. This may be one of the underlying reasons for the proposed change. However, I believe it is not in the broader community's interest to cease this service. Can we look at ways to support the AER either through advocacy or even a fee for regulation services from all parties (DNSPs and LGs)?

7/3/2015 10:31 AM View respondent's answers

I'm unable to click a button above. Council is much in favour of keeping all assets regulated, as the alternative could result in two (or possibly more in the case of large rural councils) different parties that Council has to contact when there's an issue with a street light. It could also lead to confusion as to which party to contact, as the officer initiating contact may not always know whether the light is on a standalone pole, or part of the utilities network.

7/3/2015 8:58 AM View respondent's answers

Individual Councils do not have the experience or expertise to negotiate directly with DNSPs 7/2/2015 6:48 PM View respondent's answers

What do councils have to negotiate with? There are no alternative service providers. Councils are bound to use the same distributers. There is no opportunity for Councils to successfully negotiate while distributors have a monopoly on the service.

7/2/2015 5:25 PM View respondent's answers

I dont know enough about the subject at this point in time.

7/2/2015 4:53 PM View respondent's answers

It is difficult to negotiate a reasonable outcome, particularly on prices, with a monopoly provider. This arrangement could severely disadvantage councils which are not in a strong position to negotiate, particularly rural councils.

7/2/2015 4:48 PM View respondent's answers

Our Council has a very small number of street lights on dedicated poles.

7/2/2015 4:35 PM View respondent's answers

Overall we would say No, however we do not understand the overall impacts of a negotiated framework and what the benefits/issues would be. More information is required to make a better decision.

7/2/2015 4:34 PM View respondent's answers

It is hardly worth the hastle of going to an unregulated price model with a monopoly provider.

7/2/2015 4:32 PM View respondent's answers

The current system seems to be working fine and I am unable to compare it to a forced negotiation framework. 7/2/2015 3:52 PM View respondent's answers

There are too many unknowns associated with the process that have the potential be of no benefit to Councils. These may include increased internal resource costs, overall street light costs, upfront costs associated with asset recording / transfer / point of supply, and the overall cost of the change from an administrative perspective. The current arrangement allows some form of negotiated outcome with regard to street lighting, and Council's are better able to plan and budget for any projects, such as the bulk LED lighting program, on Council's terms. Also, it is possible that the change would disadvantage isolated municipalities. Another concern is the unknowns of a change with regard to more sustainable lighting outcomes.

7/2/2015 3:48 PM View respondent's answers

It depends whether contestability is actually achieved. We understand from Moreland City Council's experience that it is currently not possible unless Distribution Businesses are forced to allow this.

7/2/2015 3:12 PM View respondent's answers

Not all assets are currently regulated - eg StreetLEDs are not regulated. And yes in Victoria we did negotiate with Ausnet Services for the OMR charge for StreetLEds and the outcome was a fair one for both councils and distributor, however, if at that time Ausnet chose not to reconsider its' original OMR charge then councils would have had extremely limited options. A safety net did exist whereby councils could appeal to the AER to assist in the case where the councils and distributor could not come to agreement. It is my understanding that if we go to a negotiated framework this safety net would not exist. It is my understanding that if we go to a negotiated framework this safety net would not exist. A negotiated framework is all very well in theory but quite difficult in practice. The distributors appear to hold all the cards. They must give their permission for another contractor to work on their network. They can reject contractors. They can charge a fee to access their network.

7/2/2015 12:48 PM View respondent's answers

We don't support it, given the uncertainty around the DBs ability to block a Council's preferred third-party provider. Without the ability to use a third-party, the DBs have all the power, thus it isn't a truly competitive process. Also, it is likely that costs will be higher for rural and regional councils under this proposal. 7/2/2015 11:48 AM View respondent's answers

It is difficult to make decision either way with little to no evidence or information to appreciate the potential impacts and consequences. Without this the only thing to go on is previous experience of negotiations b/w LG's and DB's and the outcomes haven't been overly positive.

7/2/2015 11:43 AM View respondent's answers

This would need to be a Council determination which is yet to be made. We would need to negotiate as a group with each DNSP as this allows for better pricing.

7/2/2015 11:43 AM View respondent's answers

Rural councils will not be able to effectively negotiate with their DB when it is effectively a monopoly. The AER was the only protection LG in remote areas had from inflated pricing. Recent bulk light change projects have already discovered trough tendering processes that few contractors want to deliver services in rural areas. 7/1/2015 5:40 PM View respondent's answers

Further work should be undertaken to require distributor to negotiate the OMR for streetlights on distributor assets.

7/1/2015 5:27 PM View respondent's answers

Our current cost for O&M for all assets (shared and dedicated) each year is \$24,000. We only have distributor - Powercor, so we can't see how this will force competition. Minimal return, but actually a risk that the cost will increase after deregulation.

7/1/2015 2:18 PM View respondent's answers

In principle the idea of a negotiated framework is preferable but Council will need to ensure it has access to cost-effective advice that leads to an informed business case. As in-house expertise to negotiate terms and cost of procurement may not be available, this would probably mean on or more of the following: collaborating with other regional Councils; utilising regional networks such as CVGA; contracting of consultants such as Ironbark; utilising peak bodies such as the MAV. Baseline position would be that Council should not be worse off under any proposed changes.

7/1/2015 11:31 AM View respondent's answers

No - this just creates an extra layer of complexity in an technically challenging area. Increasing requirements for greater transparency of public lighting tariffs and build up costs would be a better step 7/1/2015 11:03 AM View respondent's answers

We have a very small number of these lights of varying types and sizes. We have no negotiating power with the DNSPs, it is take it or leave it, there is no alternative. Commercially there would be no competitive market that could do any repairs more efficiently and cheaper that the DSNPs.

6/30/2015 11:58 AM View respondent's answers

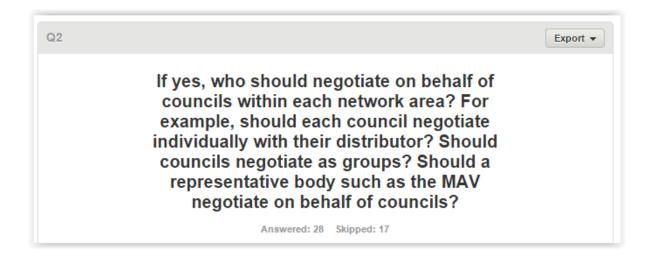
Something like the following content will be put in a letter from Banyule Council to the AER on this issue: Mr Chris Pattas General Manager Australian Energy Regulator GPO Box 520 Melbourne Vic. 3001 Dear Mr Pattas, Proposed deregulation of maintenance costs for streetlights on dedicated poles in Victoria Banyule City Council does not support the proposed deregulation of operation, maintenance and replacement (OMR) charges for streetlights on poles that do not also carry electricity wires. Under a deregulated regime, we believe the negotiation process with Distribution Network Service Providers (DNSPs) would be less favourable for local governments. Already endemic, Victoria' streetlight service would become even more complex. Fragmented OMR economies of scale would disadvantage councils, particularly rural ones. The negotiating power imbalance between councils and geographical monopoly DNSPs who own the assets in question would likely lead to higher OMRs than under the current regulated regime. We are unconvinced that DNSPs provide Council and the community with good value for money with the streetlight service. For example, their lack of pro-activeness contributed to the laboured path to streetlight energy efficiency where this year Banyule replaced mercury vapours with T5 fluorescents ten years after in-street trials proved the viability of the T5 technology. In the meantime, the DNSPs old inefficient technology wasted an estimated \$2 million of Councils and rate-payers' money on electricity and OMR bills. Extrapolate out to Victoria's 79 Councils and the figure grows to more than \$100 million. There has been an improvement in the recent approval process for light emitting diode technology, but it still took years, so let us hope that further millions have not been wasted. This unfortunate outlook is why we would doubt the pro-activeness and fairness of negotiations with DNSPs under a deregulated regime. At this stage, we prefer to have full regulation with the AER as an independent umpire. Generally, we think the AER has performed well in this role. We would prefer the AER does not abrogate is responsibility in protecting council and rate-paying consumers of the streetlight service. Thank you for the opportunity to provide feedback on the OMR deregulation proposal. On other matters in the current review of DNSP revenue proposals, please refer to the upcoming Northern and Eastern Alliances for Greenhouse Action (Ironbark Sustainability) submission that is made on behalf of Banyule and other local governments.

6/30/2015 11:51 AM View respondent's answers

We are a smaller party negotiating with a monopoly! We will have no power

6/30/2015 11:15 AM View respondent's answers

More details are required and how new change would impact rural Councils who have no resources and full understanding on the change. Consider rate capping before accepting the change. 6/30/2015 9:04 AM View respondent's answers



Councils should negotiate as groups (grouped by ED). Eventually a state wide approach could be adopted but the EDs have individual engineering veto at the moment which needs to be addressed.

7/3/2015 12:29 PM View respondent's answers

IF the change were to proceed, MAV should negotiate on behalf of Council. Or the MAV should engage an energy company to provide consultancy services.

7/2/2015 6:48 PM View respondent's answers

A representative body (MAV?) must present a united position that reflects the needs/wants of member/participant councils. Consistency, transparency & value for money must be attained.

7/2/2015 6:03 PM View respondent's answers

If the change was forced on to Council, Collective Councils in each distributor area should negotiate collectively or a peak group to do it on their behalf.

7/2/2015 5:25 PM View respondent's answers

Councils should negotiate as a group within their DB area.

7/2/2015 5:19 PM View respondent's answers

Different councils may have different needs so as long as this was reflected by a representative body that is fine. 7/2/2015 5:02 PM View respondent's answers

MAV

7/2/2015 4:53 PM View respondent's answers

If this arrangement was imposed then it would be preferable to negotiate in as large a group as possible. MAV, on behalf of all municipalities is preferred as it is a concern that rural councils will not be able to negotiate reasonable prices and services.

7/2/2015 4:48 PM View respondent's answers

As per the NHVR, the MAV should be involved and do the negotiations if this framework is adopted.

7/2/2015 3:52 PM View respondent's answers

Noting the position above as a No, if it were to be introduced, MAV would be best placed to take a lead role. 7/2/2015 3:48 PM View respondent's answers

Individual councils would not have the resources and knowledge to negotiate, so they would need to either do it as a group or through a body like the MAV supported by a consultant.

7/2/2015 3:33 PM View respondent's answers

It depends who has the potential to negotiate the best result for Darebin's circumstances.

7/2/2015 3:12 PM View respondent's answers

It would be very time consuming for each council to negotiate with their distributor - both for council and distributor. A group approach would be more time efficient and the MAV would likely be an appropriate organisation. Also, a certain level of street lighting expertise would be required and not all councils will have this. 7/2/2015 12:48 PM View respondent's answers

I think it would be better for the MAV to lead the negotiation with Council's providing support. This would allow for the appropriate knowledge both in lighting and negotiation.

7/2/2015 11:43 AM View respondent's answers

Either Councils as a group or MAV.

7/2/2015 11:38 AM View respondent's answers

We believe the MAV has a role to play in negotiating for Councils who wish the MAV to take on that role. However, it is each Council's decision on how they negotiate with the distributor (ie. individually or in regional groups).

7/1/2015 5:27 PM View respondent's answers

If it was done, it wouldn't be worth our time to negotiate on our own with such a small potential saving.

7/1/2015 2:18 PM View respondent's answers

To be determined by each Council. Some Councils choose to group together under MAV, others prefer to group together BUT use consultants to negotiate.

7/1/2015 1:54 PM View respondent's answers

n/a

7/1/2015 11:31 AM View respondent's answers

Councils should negotiate as a group, possibly with MAV.

7/1/2015 10:22 AM View respondent's answers

Individual councils have no bargaining power it would need to be groups, the MAV has no expertise in this area to make informed decisions. Consultants would be engaged and paid, with all risk transferred to LG 6/30/2015 11:58 AM View respondent's answers

If, despite protest, the AER goes ahead with deregulation, I believe we should negotiate as a group of Councils, possibly the MAV representing all Victorian councils and we should use regulated OMRs as a benchmark.

6/30/2015 11:51 AM View respondent's answers

 $\mathsf{MAV}$ 

6/30/2015 11:36 AM View respondent's answers

If it did happen it would have to be across the state through the MAV or ironbark

6/30/2015 11:15 AM View respondent's answers

Council's should negotiate as groups across the distribution areas. Increase the buying power and ensure that we're not being screwed over.

6/30/2015 9:43 AM View respondent's answers

MAV and Greenhouse Alliances are best placed to negotiate as a group with technical input from consultants.

6/30/2015 9:22 AM View respondent's answers

MAV is best position to undertake negotiations.

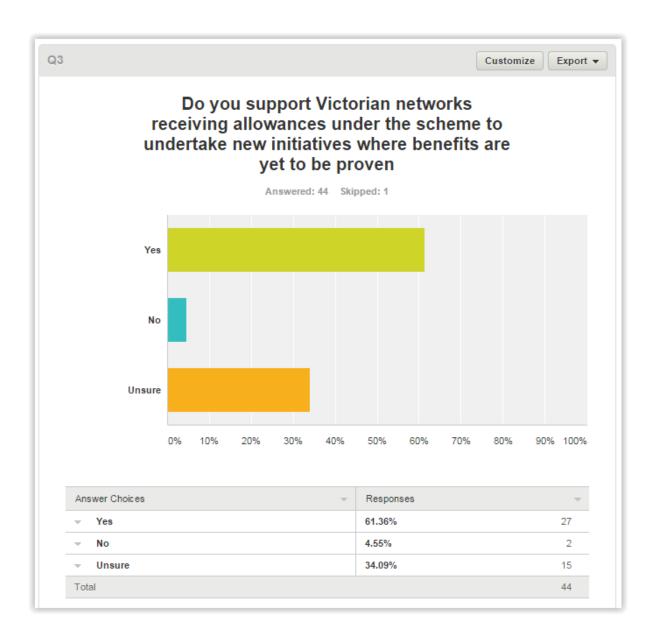
6/30/2015 9:04 AM View respondent's answers

The MAV are in the best position to negotiate on behalf Councils; and this negotiation should be on a 'per distributor' basis (at a minimum)

6/30/2015 8:48 AM View respondent's answers

Q3

**Export** 



I would need more information to comment.

7/3/2015 10:31 AM View respondent's answers

## Unsure

7/3/2015 8:58 AM View respondent's answers

If the funding is used to mitigate financial risk for DNSPs, then we need some sort of return. Perhaps the DNSPs make open-source all the information and knowledge gained during the funded projects (including relfections, lessons learnt, what to do next time, etc)?

7/2/2015 6:03 PM View respondent's answers

Uncertain of the proposed cost implications compared to the current pricing period so hard to answer this question with complete confidence. Jemena has been actively working with Hume on the Energy Smart Neighbourhoods project which is providing free In Home Displays (provided by Jemena) to three groups of residents who are undertaking ongoing energy efficiency and energy literacy education. This project has been beneficial and is a good candidate for broader roll out. Mechanisms to ensure that all municipalities in a DNSPN area have equitable opportunity to provide input into proposals and benefit from incentive programs would be ideal

7/2/2015 5:25 PM View respondent's answers

For trials of new technology and or approaches to demand management, yes. Also, I agree if it is done in partnership with those paying for the resource/service.

## ATTACHMENT II

7/2/2015 5:02 PM View respondent's answers

I dont know enough about the subject at this point in time.

7/2/2015 4:53 PM View respondent's answers

As above.

7/2/2015 4:34 PM View respondent's answers

No ready clear on the question being put

7/2/2015 4:32 PM View respondent's answers

Provided that the incentives reduce the greenhouse intensity of the grid and have benefits for Councils & community, especially most vulnerable parts of the community

7/2/2015 3:48 PM View respondent's answers

Incentives should help to encourage network efficiency projects, without them distribution will be business as

7/2/2015 12:48 PM View respondent's answers

Funding for these projects is necessary if we are to move to a more advanced lighting network.

7/2/2015 11:43 AM View respondent's answers

Yes to this question so long as there is a partnership component to the funding e.g. partner with government, businesses and community

7/2/2015 10:30 AM View respondent's answers

The intention of outcomes of any pilots should meet the expectations and genuine need of the community. It is expected there would be collaboration with Local Government to identify the genuine needs.

7/1/2015 5:27 PM View respondent's answers

Let's not pay them to run their businesses.

7/1/2015 2:18 PM View respondent's answers

Manningham is already working with United Energy on two DMIS projects.

7/1/2015 1:54 PM View respondent's answers

In principle, Council would support the payment of allowances to Networks where the objective is to improve the efficiencies of the distribution network and lower energy costs. There are also other potential benefits to Council and/or the community in trialing new technologies. With the hope that networks are unlikely to invest in initiatives where the benefits and efficiencies to distribution are doubtful, Council considers that downside risks should be minimised.

7/1/2015 11:31 AM View respondent's answers

Businesses from all sectors require incentives to implement energy efficiency. Without the DMIS, the networks businesses will not fund innovation. It is critical the AER support all proposals to undertake demand management (funded through opex/capex or the DMIS)

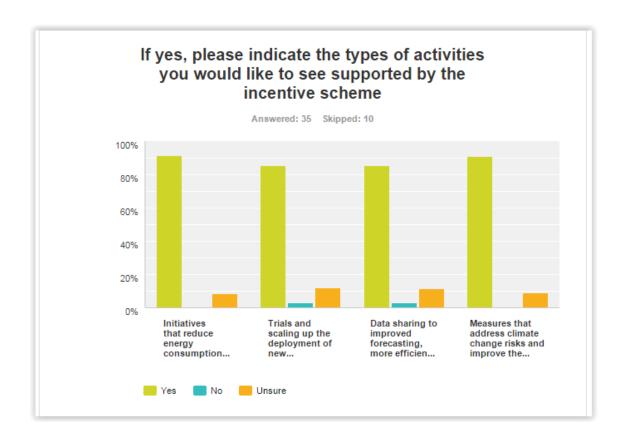
7/1/2015 11:03 AM View respondent's answers

Provided it was truly to the benefit of the energy sectors and not mainly for the DNSPs

6/30/2015 11:58 AM View respondent's answers

While quantitative outcomes are desired, sometimes we need to invest in the unknown to see how well it actually performs. Sometimes the 'claimed savings' are never as good as claimed due to the conditions of the real world. Sometimes some products exceeded everyone's expectations, even the manufacturers.

6/30/2015 9:43 AM View respondent's answers



~	Yes	No	Unsure	Total
Initiatives that reduce energy consumption (such as residential behaviour change programs, distributed energy and commercial district energy schemes)	91.43% 32	0.00% 0	8.57% 3	35
Trials and scaling up the deployment of new technologies, such as battery storage and electric vehicles	<b>85.29</b> % 29	<b>2.94</b> % 1	11.76% 4	34
Data sharing to improved forecasting, more efficient infrastructure planning and improve reporting and communication capabilities	<b>85.71%</b> 30	<b>2.86%</b> 1	11.43% 4	35
Measures that address climate change risks and improve the resilience of infrastructure and assets (such as the preservation of street trees and support vulnerable segments of the community)	<b>91.18%</b> 31	0.00% 0	8.82% 3	34

DNSPs should simplify/consolidate demand tariffs as well as simplify/consolidate cost stack of demand tariffs. Local, smart grids would be most welcome.

7/2/2015 6:03 PM View respondent's answers

With regard to the 1st point of question 4, acknowledge that end of use& behavior change is only one aspect of energy efficiency, with considerations for things such as building design & products in general being of a higher level of sustainability

7/2/2015 3:48 PM View respondent's answers

Data sharing for smaller regional councils may be difficult for them to support. Interactions with the planning scheme and identified growth areas to target for alternative energy systems from business as usually may be beneficial.

7/2/2015 10:30 AM View respondent's answers

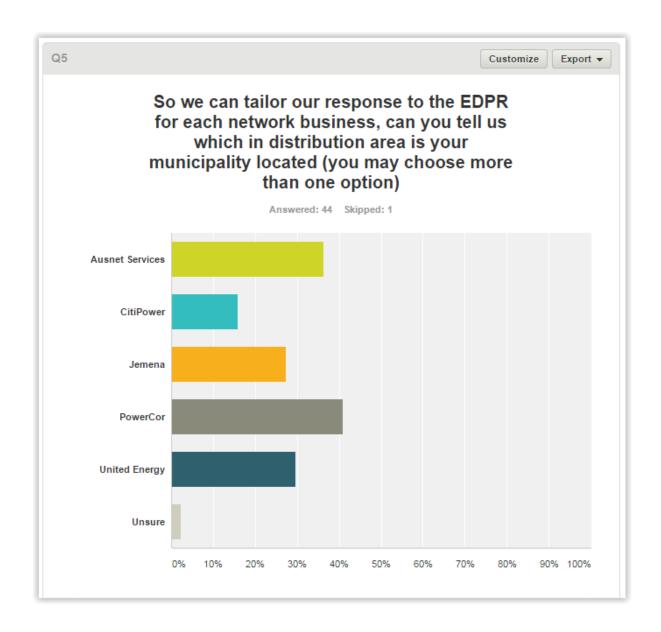
In addition to the initiatives listed to reduce energy consumption, there should be investment in on-ground trials to meet these objectives.

7/1/2015 5:27 PM View respondent's answers

Open and transparent reporting of Building Performance - commercial, and residential rentals in particular 7/1/2015 1:54 PM View respondent's answers

None at present

7/1/2015 11:31 AM View respondent's answers



## Powercor

7/3/2015 8:58 AM View respondent's answers

At present a small amount is Ausnet Services but is now significantly growing.

7/2/2015 5:25 PM View respondent's answers

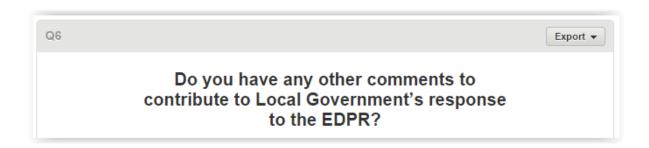
Nil

7/1/2015 11:31 AM View respondent's answers

You may have liked to have proofread your questions before sending out the survey 6/30/2015 4:13 PM View respondent's answers

The need for regulated services is obvious noting the wide disparity in costs and service between the DSNPs that we experience

6/30/2015 11:58 AM View respondent's answers



I think an unregulated monopoly seems an unworkable scenario. It may well work for a few years but is likely to trend towards an unworkable situation. The regulator was created for a reason and I don't think the fundamentals have changed since then.

7/3/2015 10:31 AM View respondent's answers

It appears that the changes will result in escalated overall cost to Councils. With "rate capping" on the agenda, it will be difficult for Councils to absorb these escalated costs

7/2/2015 6:48 PM View respondent's answers

The DSNPs should consider a transitional arrangement to shift ownership from private organisations back to local government. If the emerging technologies turn into the DSNP killer, as many have identified, then they might want to think about a transition.

7/2/2015 6:03 PM View respondent's answers

· Hume is an outer fringe growth municipality and has a high proportion of dedicated street lights. There would be significant impact and a high risk of a negative outcome. • What is required is consistency in both cost and service standards. What benefit would be gained by the community as a whole if service standards are negotiated and ultimately vary from one municipality to another? • As was discussed at the forum, the South Australian experience suggests that the process is a failure. If Councils there haven't been able to successfully negotiate an outcome after 5 years, then why introduce it here? • All new lights and poles are paid for and installed by developers. If they are decorative poles, they are deemed to be Council assets and if standard poles they are gifted to the distributers. Councils shouldn't have to buy back anything if the Council is forced to take on the responsibility. Instead the OMR has progressively collected an amount for replacement. So Councils should be reimbursed a pro rata amount over the life of the asset. • The bigger issue is what the distributers are maintaining on decorative fittings under the current OMR compared with standard fittings, yet the OMR is the same for both. If anything this aspect requires more regulation rather than deregulation. If there is an issue with differences in cost between shared assets and dedicated assets then the OMR should be divided into categories. Suggested categories could be 1. Shared assets 2. Dedicated assets 3. Decorative assets. • Our starting position is that Councils should not be involved in the maintenance of street lighting at all as was the case before privatisation. • What needs to be looked at is how much distributers are charging for alterations / fill-in lights / additions due to road works and installation of traffic calming devises. Councils seem to be being charged over inflated charges and currently there are no alternatives or means to competitively compare these charges. 7/2/2015 5:25 PM View respondent's answers

Agree with TTEG's comments that the entire public lighting service should be classified as NDS with several aspects contestable and that the fracturing of dedicated lights from standard lights whilst providing an opportunity has also created a separate set of issues which need to be clearly identified and considered. The proposal has not had enough time for stakeholders to properly consider the issues.

7/2/2015 4:48 PM View respondent's answers

I need to do more research.

7/2/2015 3:52 PM View respondent's answers

Councils within the alliances asked to complete the survey should have the chance to review EAGA's submission prior to it being formally lodged

7/2/2015 3:48 PM View respondent's answers

DBs should allow Council's to directly engage with their approved contractors to undertake minor works on their assets. E.g. Installation of new public lighting and other minor public lighting amendments. Darebin understands some but not all DBs in Victoria allow this. This would improve efficiency and allow for more transparent pricing. 7/2/2015 3:12 PM View respondent's answers

Councils appear not to be in a strong position to negotiate charges for OMR, the distributors still have the game sewn up. I believe it likely that the negotiation process may be financially and time wise costly to councils (and probably to distributors as well). I imagine the introduction of a negotiated process will reduce the workload of the AER but increase it for councils and distributors. For Latrobe City, a current upgrade to our street lighting will result in three quarters of our lights being unregulated by the AER and although the negotiation process has worked well so far, there is no guarantee that it will continue to do so. I still feel that councils have extremely limited power in the negotiation process.

7/2/2015 12:48 PM View respondent's answers

If the negotiated process for dedicated street lights was to be approved, there are concerns about information asymmetries with regards to being able to successfully tender for a third-party contractor to provide OMR services. What powers would exist through the AER to require the distributors to both provide necessary information for a third-party provider to undertake a reasonable quotation process, and also to accept a council's service provider, allowing them to access and work on the DB's assets?

7/2/2015 11:48 AM View respondent's answers

I think the review needs to also include a response to the core of the proposed change and ask for an explanation as to why its been proposed and link in previous examples of where negotiations have gone wrong. The other thing to consider is future scenarios and negotiated prices. It is difficult to know what DB's will be willing to negotiate in the future. This is especially relevant to brown and green fill developments which could include handover of public lighting from developers to Council. This could pose a significant increase in costs. 7/2/2015 11:43 AM View respondent's answers

## ATTACHMENT II

Forum with Councils that are within different DNSPs would be needed so we are working as groups that understand/have a common viewpoint and that would involve senior staff and Mayors.

7/2/2015 11:43 AM View respondent's answers

A collective approach to negoiated street light OMR pricing woould mostlikely deliver the best outcomes. 7/2/2015 10:30 AM View respondent's answers

Given that Councils are required to invest in the bulk changeover of streetlights to new energy efficient technologies, Council should have the ability to manage these streetlights to control the costs of the OMR. As mentioned previously, further work should be undertaken that requires the distributor to negotiate the OMR for streetlights on distributor assets.

7/1/2015 5:27 PM View respondent's answers

None at present

7/1/2015 11:31 AM View respondent's answers

During a period of significant transformation in the energy sector, it is critical that AER provides consistent and ongoing support for demand management to stimulate further private sector investement

7/1/2015 11:03 AM View respondent's answers

The issues around public lighting would be massively improved with some openess and transparency from the DSNPs. They even don't comply with the currently Public Lighting Code about providing regular reports on street lighting. Their communication and engagement processes are generally woeful, considering we are paying them in the order of \$400k per annum for OMR and over \$3M for MV80/T5 replacement project

6/30/2015 11:58 AM View respondent's answers

The demand management issue is secondary to achieving a good streetlights OMR outcome.

6/30/2015 11:51 AM View respondent's answers

How can a Council negotiate for OMR with businesses other than Powercor when vested assets can be only be worked on by Powercor. Is the NER expecting Councils to buy back vested assets that have been gifted in the first instance to remove the potential Powercor monopoly on OMR.

6/30/2015 11:36 AM View respondent's answers

So long as it's linked to CPI price increase like we're going to be, then I'm fine with the proposal. We all know that ain't going to happen.

6/30/2015 9:43 AM View respondent's answers

Reduce cost, improve energy efficiency of street lights, Manage Customer complaints about lighting. Consider rate capping if electricity and OMR charge rate go beyound CPI rates.

6/30/2015 9:04 AM View respondent's answers