



Frankston City Council

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Victorian Energy Upgrades
Department of Environment, Land, Water and Planning
PO Box 500
EAST MELBOURNE VIC 8002

7 June 2018

Dear Sir/Madam

REVIEW OF THE VICTORIAN ENERGY EFFICIENCY TARGET REGULATIONS

Frankston City Council welcomes the opportunity to provide feedback by the closing date (19 June 2018) on the review of the Victorian Energy Efficiency Target Regulations, as advertised on the Victorian Government's 'Engage Victoria' website.

Council understands that the Victorian Energy Efficiency Target Regulations set out the requirements for the Victorian Energy Upgrades program, which is a market-based incentive program that encourages improvements to the energy efficiency of homes and businesses. The Regulations underpin the program, setting out the level of incentive provided for activities in the program, as well as the methods used to calculate the associated greenhouse gas emissions reductions.

Changes to the Victorian Energy Upgrades program and accompanying regulations are required to make it easier for local councils to access the financial incentives for undertaking energy efficiency works, particularly when considering the large-scale investment often needed for upgrading street lighting assets to energy efficient and less greenhouse polluting alternatives. Council staff recently met with United Energy (local electricity distributor) representatives to discuss the bulk replacement of street lights across the Frankston municipality's local (minor) roads in 2019. This was both a positive and productive meeting in exploring the opportunity for such a large-scale energy efficiency upgrade project.

Of particular interest and importance to Council is the proposed regulatory changes relating to the non-building lighting upgrades activity, as set out in Part 27 Activity – Public lighting upgrade, in the proposed Victorian Energy Upgrades - Specifications 2018 document. The splitting of lighting into three separate categories, including a category for 'public lighting' is supported by Council and should aim to assist the local government sector and other key stakeholders (such as electricity distributors) in upgrading their old, inefficient and expensive public lighting assets.

The energy consumption associated with street lights is typically the largest contributor to a council's greenhouse gas emissions. Without added financial incentive (such as via the program and the generation of certificates, or through external grants), it makes it difficult for councils to justify the cost burden to their community for a street lighting bulk replacement, as demonstrated with the transition from T5 street light technology to energy efficient LEDs, where the payback period is typically in excess of 20 years.

Council supports the proposed use of the AEMO National Electricity Market Load Table for Unmetered Connection Points as the source for approved public lighting, removing the need for lighting to be listed on the Essential Services Commission product list and the potential for duplication of effort. This will ensure that local councils, including Frankston City Council, can access LED lighting alternatives through the program that are approved by the local electricity distributor and ready for bulk replacement.

Council is currently preparing a business case for the bulk replacement of its existing 6,996 T5 (2 x 14W nominal device rating, total Victorian load 30.5W) luminaries and 1,423 Mercury Vapour (1 x 80W, total Victorian load 95.8W) luminaries to 17 to 24W LEDs throughout the Frankston municipality's local (minor) roads. This street lighting upgrade has the potential to reduce energy consumption and greenhouse gas emissions between 44% to up to 82%. By Council being able to access the proposed financial incentives through the program, the estimated payback for the bulk T5 to LED changeover could be reduced from over 20 years to less than 10 years, making it a sound financial investment for Council and its community. Future projects also include investigation into the feasibility of replacing high-pressure sodium luminaries.

The 17 to 24W LED alternatives approved by the local electricity distributor (United Energy) are energy efficient, produce less emissions, are fit-for-purpose, are listed on the AEMO National Electricity Market Load Table for Unmetered Connection Points, meet the Australian Standard AS/NZS 1158 (Lighting for roads and public spaces), have a longer life (therefore produce less waste), are expected to provide superior public lighting outcomes when compared to existing T5 lamps, and do not contain mercury. However, without a financial incentive from the Victorian Energy Upgrades program, the bulk replacement of existing T5s to LEDs is not likely to be financially viable.

As the Victorian Government has set a long-term target of net zero emissions for Victoria by 2050, the changes discussed above would be welcomed by Council, making the LED street light bulk replacement more viable and result in a significant reduction to the municipality's emissions. This would also demonstrate a practical example of governments working together for the betterment of their communities through shared action on climate change.

Yours faithfully



Tim Frederico
ACTING CHIEF EXECUTIVE OFFICER

cc Mr Tim Rourke, Chief Executive Officer, United Energy Distribution Pty Ltd