



3 November 2016

(sent by email to aemc@aemc.gov.au)

Reliability Panel
c/o Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1235

Re: Submission on Reliability of Supply to Public Lighting

Thank you for the opportunity to comment on the draft reliability standards and guideline settings currently under consideration. I am writing to specifically ask that consideration be given to the reliability of electricity supply to public lighting under the National Electricity Market framework.

The Southern Sydney Regional Organisation of Councils is making this submission on behalf of 30 councils participating in the SSROC Street Lighting Improvement Program. These councils encompass more than 230,000 street lights which is some 95% of the lights in Ausgrid's distribution area and 40% of the utility street lights in NSW.

Public lighting supply is currently held to a different and substantially lower reliability service standard than for general network distribution customers in the National Electricity Market (NEM). We'd ask the Reliability Panel to consider the need for reform in this area given the following points:

1. Electricity distributors in the NEM, such as Ausgrid that serves councils in our region, have been aiming for 99.999% reliability on their networks for some years¹ and made substantial investment over the last two regulatory periods to meet a number of reliability goals. However, public lighting supply has been held to a different and substantially lower power supply reliability service standard than general network distribution customers throughout this period.
2. Reliability reporting requirements for electricity distributors in the National Electricity Market are based on the national guidelines first established by SCONRRR and detailed in the National Regulatory Reporting for Electricity Distribution and Retailing Businesses - Utilities Regulators Forum Discussion Paper March 2002. Of note in this foundation document are that: 1) public lighting customers were to be explicitly excluded from the definition of distribution customers (p8); and 2) interruptions to unmetered public lighting supplies were to be explicitly excluded from reliability reporting (p6).

This Discussion Paper provided the basis for subsequent exclusions of public lighting in later regulation and guidelines. Importantly, it stated that, "*Submissions noted that a number of distribution services (such as street lighting) are contestable in some states. While contestability may provide an incentive for improved service quality, it is nevertheless important for regulators (and the wider community) to have information on the quality of these*

¹ EnergyAustralia presentation to AER Forum 30 July 2009

services within their jurisdiction, and therefore to include the services in performance reporting. These customer service measures may be reviewed as contestable markets evolve.”

The original assumption in the 2002 Discussion Paper that street lighting was contestable in some states was erroneous at least as it applies to the vast majority of the 2.3 million street lights owned by the electricity distributors across the National Electricity Market. And, irrespective of whether street lighting is or is not contestable, the supply of electricity to it is not.

3. Under the AER’s current document describing how reliability is to be measured for electricity distributors, the Service Target Performance Incentive Scheme, states in Appendix A, page 26 that, “Unmetered street lighting supplies are excluded”.
4. States have developed electricity network reliability reports consistent with the national guidelines first established by SCONRRR and subsequent AER guidelines.

For example, under the NSW Electricity Network Performance Report – Annual Report Outline (Revised June 2015²), network supply to public lighting is explicitly excluded from all NSW reliability measures (eg SAIDI, SAIFI and MAIFI) in Attachment A pages 21-22. Public lighting reliability is consequently excluded from all measures of overall network reliability reported on under mandated Ministerially-imposed licence conditions³ and IPART’s NSW DNSP reporting requirements⁴.

As it stands, there is no regulated reliability target for NSW public lighting with only voluntary provisions in the non-binding NSW Public Lighting Code⁵:

- In Section 11.1, the NSW Code cites the need to maintain the in-service values of the Australia Standard AS/NZ1158. This Standard sets a minimum 95% availability at any given point. 95% availability is notably several standard deviations lower level of reliability than is being targeted for other classes of network customers. And, there is no penalty specified for failing to meet even this reliability level or any incentive to exceed it.
- In Section 11.2b, the Code says the DNSP needs to repair street lighting within an average of 8 working days of the fault being reported. In Section 12.1, a \$15 penalty becomes payable where the repair has not been completed in 12 working days. In practice, the small penalty amount is only paid to customers on application⁶. Notably, penalties are non-recurrent in the case of prolonged outages.

Prolonged outages due to underground supply faults have been excluded in Ausgrid reporting of average repair times to Councils since inception of the Public Lighting Code in 2006⁷. Most prolonged street lighting outages (some documented by councils at over 200 days) appear to be caused by network supply faults.

Even in the case of prolonged outages, Councils are still required by the DNSP to pay the full capital, maintenance, energy and network distributions costs for public lighting despite the service not having been provided.

² http://www.resourcesandenergy.nsw.gov.au/_data/assets/pdf_file/0004/564790/Report-2015-Outline-Distribution-Final.pdf

³ http://www.ipart.nsw.gov.au/files/sharedassets/website/trimholdingbay/reporting_manual_-_electricity_distribution_network_service_provider_-_march_2015.pdf

⁴ IPART Reporting Manual – Electricity Distribution Network Service Provider, March 2015

⁵ http://www.resourcesandenergy.nsw.gov.au/energy-supply-industry/legislation-and-policy/electricity-legislation/code-review/electricity_legislation_nsw_public_lighting_code.pdf

⁶ NSW Electricity Information Paper No 5, p8

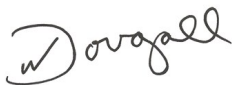
⁷ As per documentation provided by EnergyAustralia and Ausgrid to SSROC since 2007

As per the discussion above, without measurement of public lighting reliability, without reporting of outages, without incentive to repair network supply faults to public lighting and without financial consequence for failing to repair faults, it is clear that both that public lighting is held to a substantially lower reliability standard than for all other classes of network distribution customers and that the current policy settings are wrong.

Not only are reforms needed to address the lack of policy signals in this respect under the National Electricity Market but there are consequent public safety risks involved in not addressing this. Main roads, where most underground supply faults occur, are the roads where the risk of road accidents causing injury and death is greatest. AS/NZS 1158 recognises that street lighting can reduce night time accident rates by about 30%. This is why we have street lighting and leaving prolonged power supply outages to lighting unaddressed negates this important community safety benefit.

SSROC welcomes further discussion with the AEMC about this submission at any point.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Dougall', with a stylized initial 'N'.

Namoi Dougall
General Manager
Southern Sydney Regional Organisation of Councils

CC: SLI Program Councils