

# United Energy Information and Consultation EDPR Consultation Session

Thursday 4 December 2014

## Agenda



1. General Update on EDPR
2. Public Lighting
3. Vegetation management
4. Other issues

## General update



- Framework and approach paper released by AER
- AER benchmarking
- NSW decision
- Consultation to date
- Council specific initiatives for inclusion



## Public lighting

Three substantive points:

- Move from Alternative Control to a Negotiated Service
- Splitting the bundled service of OMR (operating and maintenance replacement) to O&M (operating and maintenance) and R (replacement)
- Recognition of dedicated lighting assets and shared lighting assets

## Negotiated Service



- UE (United Energy) is not required to seek AER (Australian Energy Regulator) approval for public lighting prices
- It will however still fall under the umbrella of an AER approved negotiating framework
- We would prefer to negotiate with councils as a collective working rather than individuals
- Agree a framework if contracts are not signed by 1 January 2016
  - Default prices
  - Level of services
  - Unwinding of currently smeared charges – particularly the R component
- Need to consider pricing on agreed level of services

## Unbundling of the services (new light installations)



- Replacement component:
  - Current arrangement has new lights gifted to UE (there is no R component on this light)
  - UE replaces the light fittings, brackets, supply cable and dedicated public lighting poles at the time it is efficient to do so
  - This could be in 15 - 20 years for lights and could be in 25 - 35 years for poles and brackets.
  - Councils pay a R component for the lighting assets that have been replaced
  - In our view new lights no longer need to be vested to UE
  - Council required to replace light when required (including under fault conditions) & negotiate a charge for the operation and maintenance (O&M components) of the lights.

## Unbundling of the services (new light installations) (cont'd)



- O&M component
  - The provision of this service is not dependant on the R decision
  - Viable for UE to maintain the light even if Council is responsible for its replacement
  - These new assets from 1 January 2016 whether UE provide an O&M service or other parties will not be smeared across all lights – i.e. UE will track the new assets and pass on R activities to the council
  - Negotiate specific agreement with councils on the level of service required
  - Councils free to choose service provider however the provider must meet UE's accreditation requirements and comply with ESMS
  - Councils should be aware of the obligations under this arrangement e.g. GSL payments, call centre, lighting standards etc.

## Unbundling of the services (existing lighting installations)



- R component
  - Councils have paid a smeared charge which recovers replacement expenditure of those lights that have been replaced since 2001
  - The charge does not recover new and gifted assets
  - Some Councils will have more replaced lights than others and should have paid more – under the smearing arrangement all Councils have paid the same amount
  - Difficult to unwind the smearing arrangements - wealth transfer is between Councils
  - If Councils wanted to take ownership back of these lights UE will negotiate to sell those assets (lights, brackets, poles, etc) back to the Councils
  - It is unlikely UE would be willing to enter into a pay back arrangement with one Council until we could agree with all Councils a valuation figure (the smearing issue)
  - Councils would then be responsible to replace those assets



## Unbundling of the services (existing lighting installations) (cont'd)



- O&M component
  - Same as for new lights
  - One differing point however is the existing O&M charge includes a type of “pre-payment”
  - The pre-payment being the bulk changeover of lamps every 4 years and PE cell every 8 years
  - Might be administratively easy if Councils decide to take back the O&M service if it is done after the completion of the changeover cycle

## Shared lighting



- This is when a public lighting asset is installed on an existing UE asset with other electrical equipment, typically wooden poles with cross arms
- These remain an Alternative control service
- AER required to set pricing

## Other public lighting matters



- If Councils take back ownership the regulatory arrangements currently applying to UE will need to be considered how (if) it applies to Councils
  - Public lighting code
  - Service level standards and GSL's
  - Potentially no role for UE in lighting approvals i.e. lighting standards
- Vic roads lights and contribution to those



## Current lighting approval status

- A VESI working group established to develop LED streetlight specification and assess LED streetlights for approval
- A VESI technical specification for Category P LED Streetlights has been developed
- The VESI group has been actively assessing for approval LED Category P streetlights submitted by manufacturers
- The focus from manufactures is Category P
- To date seven streetlights going through approval process
- The only LED streetlight approved by UE (& other DB's) as a standard fitting is the Sylvania 18W Street LED
- Other manufacturers are at various levels of maturity with regards to compliance. We expect several additional approvals in 2015
- VESI is been assisted by Ironbark Sustainability in the approvals process



# Vegetation management

James Doherty

Vegetation & Fire Prevention Planner, Service Delivery

## Access to Distribution Assets

### Installation Regulations:

- Regulation 304, a person may do anything prohibited by 305 to 321 if:
  - Isolated and Earthed
  - Have Written Permission
  - Complies with conditions imposed

Excluding 318 (3)

## Regulation 318

318 Sub Reg (2) (b) summarised:

- A person engaged in tree clearing – current certificate for training course approved by Energy Safe Victoria.

318 Sub Reg (3):

- A person referred to in sub regulation (2) must comply with the Blue Book

## Bluebook (The Code) – Section 12

### **Works By Persons Not Under The Control Of Asset Owner**

- Section 12.4 – Electrical Safety Rules for Vegetation Management Work near Overhead Powerlines by Non-Electrical Workers (Two key points in summary)
  - a) has completed ESV approved course
  - f) complies with the ESV Vegetation Management Work Rules



## Working Inside the Safe Approach Distances specified in the Rules

- **NO GO ZONE**
- **HV WORKER (Live Line)**

## NO GO ZONE (NGZ) Process

Process: (See Handout)

- Contact UE and request NGZ Assessment
- PH 132 099
- Assessor will conduct onsite visit and advise
- Quotation provided, and if accepted will be planned

## HV WORK (Live Line)

Currently Not A Seamless Process:

- No supporting regulation or rules for councils to engage this resource
- UE has no control over the how council manage these resources
- Resources Authorised by UE are limited and often to busy with UE work

## HV WORK (Live Line)

### Access Agreements

UE Have put forward an Access Agreement Deed which would:

- Allow Council to conditionally engage any VESI HV Worker resource
- Open up the available resource pool
- Allow some council contractors to use internal LL resource currently not authorised by UE

## Engineering Solutions

- **Customer Initiated Capex CIC**
- **Contestable Works**

Vegetation Solution estimates can be requested by contacting

[james.doherty@ue.com.au](mailto:james.doherty@ue.com.au)

## Engineering Solution Estimates

Two most common solutions:

- **LVABC** Est Avg Cost of \$10K per span
- **Offset Arms** Est Avg cost of \$4-5K per arm