

6 August 2018

At the conclusion of the Corporate, Finance, Properties
and Tenders Committee

Volume 2 - Item 4



Environment Committee

Sydney 2030. Green. Global. Connected

Agenda

- 1. Disclosures of Interest**
- 2. Adoption - Sector Sustainability Plans**
- 3. Membership - Cooperative Research Centre for Water Sensitive Cities**
- 4. Accelerated Replacement of Street Lights with LED Fittings**

Guidelines for Speakers at Council Committees



As part of our democratic process, the City invites members of the community to speak directly to Councillors during Committee meetings about items on the agenda.

To enable the Committee to hear a wide range of views and concerns within the limited time available, we encourage people interested in speaking at Committee to:

1. Register to speak by calling Council's Secretariat on 9265 9310 before 12.00 noon on the day of the meeting.
2. Check the recommendation in the Committee report before speaking, as it may address your concerns so that you just need to indicate your support for the recommendation.
3. Note that there is a three minute time limit for each speaker (with a warning bell at two minutes) and prepare your presentation to cover your major points within that time
4. Avoid repeating what previous speakers have said and focus on issues and information that the Committee may not already know.
5. If there is a large number of people interested in the same item as you, try to nominate three representatives to speak on your behalf and to indicate how many people they are representing.
6. Before speaking, turn on the microphone by pressing the button next to it and speak clearly so that everyone in the Council Chamber can hear.
7. Be prepared to quickly return to the microphone and respond briefly to any questions from Councillors, after all speakers on an item have made their presentations.

Committee meetings can continue until very late, particularly when there is a long agenda and a large number of speakers. This impacts on speakers who have to wait until very late, as well as Council staff and Councillors who are required to remain focused and alert until very late. At the start of each Committee meeting, the Committee Chair may reorder agenda items so that those items with speakers can be dealt with first.

Committee reports are on line at www.cityofsydney.nsw.gov.au, with printed copies available at Sydney Town Hall immediately prior to the meeting. Council staff are also available prior to the meeting to assist.

Item 4.

Accelerated Replacement of Street Lights with LED Fittings

File No: X011796

Summary

In accordance with Sustainable Sydney 2030, the City is committed to reducing organisational greenhouse gas emissions by 70 per cent by 2030 (compared to 2006 baseline). As part of the Environmental Action Plan 2016-2021, the City will accelerate actions to reduce organisational emissions, with a target of 44 per cent by 2021 (compared to 2006 baseline).

About 75 per cent of the City's organisational emissions come from grid electricity. Nearly 40 per cent of grid electricity used by the City relates to provision of street lighting. This includes street lighting that the City owns (about 40 per cent of total street lighting use) and street lighting that Ausgrid owns (about 60 per cent).

LED lighting is significantly more efficient than conventional fittings, such as compact fluorescent tubes, mercury discharge vapour lamps and fluorescent tubes. On this basis, the City has already replaced nearly all the conventional street lights that it owns with LED fittings.

Ausgrid has recently begun to replace street light fittings with LEDs, but only when such fittings are at their end of life. It could take another decade or more for all lights to be replaced.

Along with the Southern Sydney Regional Organisation of Councils, the City has advocated over many years for Ausgrid to change over its street lighting to LEDs. Earlier this year, the City received a preliminary offer from Ausgrid to replace Ausgrid-owned street lighting.

The Ausgrid offer has now been reconfirmed and updated (see Attachment A – letter from Ausgrid, dated 29 June 2018). Ausgrid proposes to replace about 9500 street lights with LEDs. The reduction in electricity use will be nearly 900 kW (this is a 48 per cent reduction) or about 3,600 MWh a year. As well as using less electricity, LEDs are much cheaper to maintain as they have a much longer life than conventional fittings. The upfront cost of LEDs is, however, more expensive.

The City has analysed four payment options offered by Ausgrid. The preferred option is detailed in Confidential Attachment B. The savings from reduced energy bills and lower maintenance costs are greater than the cost of installing the new LEDs. There is a strong positive net present value, meaning the City will save money over the 12 year period while substantially reducing its carbon emissions.

It is estimated that 3,500 tonnes a year of carbon will be saved once the project is complete. This is approximately nine per cent of the City's carbon footprint and represents the largest single carbon reduction project being undertaken to achieve the City's 2021 target. This project will also reduce the amount of renewable energy that must be purchased in the future to meet the City's renewable energy targets.

When the project is completed, the City will be one of the first councils in Australia to have all its street lights converted to LED.

Ausgrid is the authorised monopoly provider of public lighting services in the City area. The City is not required to seek tenders to replace the fittings that Ausgrid owns. This report seeks Council approval for the Chief Executive Officer to negotiate and finalise terms for the changeover to LEDs, and to execute an agreement on behalf of Council.

Recommendation

It is resolved that:

- (A) Council note that a reduction in greenhouse gas emissions of up to 3,600 tonnes a year can be achieved by installation of code-compliant LED light fittings on residential and main roads in the City area to replace existing Ausgrid-owned street lighting;
- (B) Council note Ausgrid is the sole supplier of public lighting services in the City area, that there are no alternative reliable or competitive tenderers, and that a satisfactory result would not be obtained by inviting tenders for energy-efficient public lighting services; and
- (C) authority be delegated to the Chief Executive Officer to negotiate, enter into and administer an agreement with Ausgrid to replace existing Ausgrid-owned street lighting in the City area with energy-efficient LED lighting for the price and savings set out in Confidential Attachment B to the subject report.

Attachments

- Attachment A.** Letter from Ausgrid dated 29 June 2018 - Accelerated Replacement Program
- Attachment B.** Business Case Summary (Confidential)

Background

1. In accordance with Sustainable Sydney 2030, the City is committed to reducing organisational greenhouse gas emissions by 70 per cent by 2030 (compared to 2006 baseline). Between 2006 and 2016, the City reduced organisational emissions by about 26 per cent. As part of the Environmental Action Plan, the City will accelerate actions to reduce greenhouse gas emissions, with a target of emissions reductions of 44 per cent compared to 2006.
2. The Environmental Action Plan 2016-2021 identified that the conversion of the street lights to LED is the single biggest energy efficiency action that can be undertaken to achieve the 2021 carbon reduction targets for the City of Sydney organisation.
3. Around 75 per cent of the City's organisational emissions come from consumption of grid electricity, of which nearly 40 per cent is used for street lighting across the City area. Accordingly, reducing the amount of electricity used by street lights as soon as possible is highly desirable.
4. About 40 per cent of the street lighting in the City area is owned and maintained by the City, and about 60 per cent of the street lighting is owned and maintained by Ausgrid, the local electricity distributor. LED lighting is generally much more efficient than conventional street lighting. The City has already replaced the vast majority of the street lights that it owns with LED fittings (in total, around 6,500 lights). This has resulted in a reduction in electricity of about 2,500 MWh a year. Based on the current grid emissions coefficient, this equates to about 2,400 tonnes of carbon abated a year. In percentage terms, the average reduction (new versus old) is about 47 per cent.

Discussion

5. Ausgrid has already started the replacement of street lights that it owns in residential street with LEDs. This is occurring very gradually, as existing street lights reach their economic end of life. At the current time, only about 20 per cent of the Ausgrid-owned street lights have been replaced.
6. At the current rate, it could take more than another decade to replace some existing fittings with LEDs. Therefore, along with Southern Sydney Regional Organisation of Councils, the City has been advocating vigorously for Ausgrid to speed up the rate at which it replaces existing street lights.
7. In April 2018, the City received an offer from Ausgrid to replace conventional lights on all street and roads in the City area - not just residential streets. The offer allows a choice of payment methods for new LED street lights. Payment could be either up-front or over 10 years, in accordance with a regulated arrangement that is approved by the Australian Energy Regulator. The applicable rate of interest would be very low. As well, the City would be required to pay out the residual value of existing lighting that is replaced.
8. This offer has been updated and reconfirmed (see Attachment A). There are now four options for payment. These involve a choice of whether to pay up-front or to pay over time. This applies to both new fittings and fittings that are being replaced. The conditions of each option are regulated by the Public Lighting Code and the National Electricity Law.

9. The very substantial reduction in ongoing electricity bills and maintenance costs associated with LEDs means that - even with the cost of early retirement of existing fittings - the changeover will be cash-positive over time and there will be no cost of carbon (the changeover has a positive net present value).
10. The total number of lights to be replaced is 9500, the reduction in lighting load is around 900 kW MW, and the reduction in electrical consumption is about 3,600 MWh a year. As a percentage, the reduction in electricity use for the new lights will be 48 per cent, which is very similar to the figure achieved for City-owned lighting.
11. This initiative means over 3,500 tonnes of carbon will be abated each year, which is about nine per cent of the City's total emissions at the current time.
12. The cost of installing new lights is more than offset by operational savings over 10 years (lower costs of maintenance and lower electricity bills).
13. In summary, over 10 years, the preferred option will deliver both cost savings for the City and major reductions in emissions. This report requests that the Chief Executive Officer be authorised to negotiate and agree to final terms for the accelerated replacement program, and to execute the agreement on Council's behalf.
14. The commercial benefits of the proposed replacement are summarised in Confidential Attachment B.

Key Implications

Strategic Alignment - Sustainable Sydney 2030 Vision

15. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This program is aligned with the following strategic directions and objectives:
 - (a) Direction 1 - A Globally Competitive and Innovative City - accelerating the replacement of conventional street lights with LEDs will ensure that Sydney remains aligned with other leading global cities in terms of technology provision for public infrastructure. In addition, the deployment of LEDs will facilitate future rollout of lighting and non-lighting "smarts" co-located on LED luminaires.
 - (b) Direction 2 provides a road map for the City to become A Leading Environmental Performer - as outlined above, accelerating the replacement of conventional street lights with LEDs will make a major contribution towards the achievement of the City's organisational emissions reductions targets for 2021 and beyond.
 - (c) Direction 9 - Sustainable Development, Renewal and Design - entrenching LEDs as the default lighting technology for both established and renewal areas ensures a consistent and more sustainable built environment in the future. In addition, the deployment of LEDs will ensure new development is ready for smart technologies that can be co-located in LED luminaires in the future.
 - (d) Direction 10 - Implementation through Effective Governance and Partnerships - timely and efficient delivery of this program at a pre-agreed cost and on a pre-agreed basis demonstrates the effectiveness of the partnership that the City has built up over time with key public infrastructure providers like Ausgrid.

Organisational Impact

16. Delivery of this program is primarily the responsibility of Ausgrid, however, an appropriate level of internal resourcing will be made available both to monitor project progress and to provide expert input at key decision points e.g. selection of lighting levels, delineation of smart pole areas etc.

Risks

17. The primary concern with this project is delays to getting started and delays in getting work done. Achieving substantial completion by mid-2020 is essential if the City is to achieve its 2021 organisational emissions reduction target. To this end, the report recommends that the CEO be empowered to negotiate final terms for the replacement program and enter into a binding agreement. The City will also endeavour to have residential street lighting, which is less complex and more standardised, to be delivered in the earliest phase of the project and as quickly as possible. More lead-time may be desirable to achieve the optimal result along main roads.
18. The risk of unexpected cost increases with this project are minimal. A nominal maximum cost (constant terms) of works has been established in advance. Also, LED technology is still improving and there are reasons to expect a reduction in both changeover costs (supply/installation of light fittings) and operational costs (because energy reductions may be greater and maintenance costs may be lower). The City will make it clear to Ausgrid that it expects all possible improvements in energy efficiency should be pursued. Also, any future reductions in cost of supply and installation should be passed on to the City (e.g. because of lower prices for LED main road lighting on account of a future Ausgrid tender). This will be a pre-condition for the replacement.
19. The start of the next five-year regulatory period for Ausgrid is mid-2019. The regulated rate of return should be somewhat lower, hence, costs to the City should be lower. Also, the City will be lobbying the Australian Energy Regulator to reduce the level of maintenance charges that is approved for LEDs. This makes sense, because LEDs have demonstrated much lower levels of failure than previous lighting technologies.
20. An incidental benefit to the City should be a reduced incidence of street lighting outages. This should lead to a lower level of complaints about night-time illumination and some improvement in night-time public safety, however, the level of improvement has not been quantified.

Environmental

21. Environmental benefits of this program are covered under Background and Discussion. In summary, acceptance of the Ausgrid proposal will lead to a reduction in the City's greenhouse gas emissions of about 3,500 tonnes a year. This reduction will be fully evident from the beginning of financial year 2020/21 and will contribute substantially to the achievement of the City's 2021 organisational targets.

Budget Implications

22. The City has modelled the costs and benefits of both upfront payment for new light fittings compared to regular annuity payments over 10 years for new light fittings. The discount rate used reflects the prevailing low cost of funds and it is considered advantageous for the City to pay for the cost of supplying and installing new fittings as the changeover occurs (ie upfront) and to also pay out the residual cost of existing fittings as the changeover to the new fittings occurs.
23. The upfront costs for the City are provided in Confidential Attachment B. As this project had not progressed to a point where the costs were able to be reliably estimated the cost of this project was not included in the City's 2018/19 operating budget when it was prepared.
24. The amount of required funds is dependent upon Ausgrid's capacity to install fittings and the outcome of final negotiations. When the final timing and amounts of these payments are known, additional funds may be sought from the 2018/19 operating budget's general contingency and/or from other identified operating savings. From the commencement of next financial year, payments will be included in future operating budgets. Approval of the amount of any budget adjustments for 2018/19 will be sought as part of a future quarterly reporting process.

Relevant Legislation

25. Other than the City, Ausgrid is the sole supplier of public lighting services in the City area. Accordingly, there would be an absence of competitive or reliable bidders, were the City to call tenders for more energy-efficient public lighting.
26. Under the terms of section 55 of the Local Government Act 1993, it is proposed that Council not call tenders but instead deal directly with Ausgrid to secure more energy-efficient public lighting.
27. Further, it is proposed that authority to negotiate and finalise terms of an agreement for energy-efficient public lighting be delegated to the Chief Executive Officer, and for the Chief Executive Officer to execute the agreement on behalf of Council.
28. Attachment B contains confidential commercial information which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
29. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

Public Consultation

30. Extensive public consultation was undertaken as part of the development of Sustainable Sydney 2030 and as part of the development of the Environmental Action Plan 2016-2021. A specific initiative set out in the Plan was to advocate for accelerated replacement of Ausgrid-owned street lighting.

KIM WOODBURY

Chief Operating Officer

Chris Barrett, Commercial Manager Green Infrastructure

Attachment A

**Letter from Ausgrid dated 29 June 2018
Accelerated Replacement Program**



570 George Street
Sydney NSW 2000
All mail to GPO Box 4009
Sydney NSW 2001
T +61 2 131 525
F +61 2 9269 2830
www.ausgrid.com.au

June 29 2018

Mr Kim Woodbury
Chief Operating Officer
City of Sydney
PO Box 1591
Sydney NSW 2001

Dear Mr Woodbury

Proposal - Accelerated Replacement Program – Residential and TRL Roads

Ausgrid is pleased to present this preliminary proposal for the replacement of certain street lights within your local government area with LED equivalents. This proposal targets non efficient street lights on residential and major roads but does not include floodlighting or decorative luminaires in parks and other public spaces. Ausgrid is offering councils 4 different payment options that allow councils to either pay Ausgrid's annual tariffs or to pay for the cost of the installations up front. Ausgrid is also allowing councils to pay the residual value of the assets being removed up front or continue to pay the Pre 2009 fixed charges until assets reach the end of their economic life. Whichever option council choose, Ausgrid will own and maintain the assets under the regulated framework.

Scope of Works

Ausgrid will undertake the replacement of luminaires identified in the attached spreadsheet. Ausgrid's current inventory has identified 9,641 street lights within your council area that will be replaced under this project. Public lighting capital works and ongoing maintenance is a regulated service and will continue to be provided as such. Ausgrid's Public Lighting Management Plan forms the basis of our service level and is guided by the NSW Public Lighting Code.

Street Lighting Smart Controls are not part of this roll out, however all luminaires contain 7 pin NEMA sockets and have dimmable lighting drivers so that this technology may be used in the future.

Ausgrid has made some broad assumptions regarding luminaire and bracket choice listed below:

Category P assumptions:

1. Where a luminaire is installed on road that has a roadway reserve width (RRW) of less than 12m, Ausgrid is proposing to use a luminaire specifically designed for this configuration (StreetLED Mk2 17 RRW). These luminaires will be mounted on 0.5m bracket with 0 degree upcast so as to minimise glare into neighbouring properties except where the existing bracket is greater than 2m, in which case that bracket will remain.
2. 125W MBF luminaires are being replaced with a StreetLED Mk2 28W. 0.5m, 0 degree upcast angle brackets will be used on RRW's of 12m or less where the existing bracket is up to 2.0m in length. Larger brackets will not be replaced as it is likely these have been installed for a specific reason such as a tree lined street.
3. All other luminaires on roads with a road reserve width greater than 12m will be replaced with either a StreetLED mk2 17W or GE Evolve 20W. Brackets less than 2.0m will be replaced with a new 2.0m bracket. Brackets greater than 2.0m will not be replaced.

Category V assumptions

1. 150W HPS, 150W HPS Active Reactor and 250W MBF luminaires will be replaced with Aldridge VLED 100W luminaire. Brackets will only be replaced if there is a need due to condition.
2. 250W HPS, 250W HPS Active Reactor and 400W MBF luminaires will be replaced with Aldridge VLED 200W luminaire. Brackets will only be replaced if there is a need due to condition.
3. 400W HPS, 400W HPS Active Reactor and 700W MBF luminaires will be replaced with Aldridge VLED 298W luminaire. Brackets will only be replaced if there is a need due to condition.
4. 100W HPS and 100W MBI luminaires will be replaced with LRL NXT 42W LED luminaire. Brackets will only be replaced if there is a need due to condition.

During the course of the replacement program manufacturers may present incremental updates to their product. Where appropriate and after a technical review, Ausgrid may introduce these as standard. Where there are cost implications, Ausgrid will consult with Council.

Capital Cost of Project

Council will be required to pay both the capital cost of installation of new street lights and brackets and any residual value associated with the early removal of existing street lights and brackets. Ausgrid is offering both up front and annual charges for councils to pay these charges as listed below:

1. Annual rate 1 capital annuity charges + residual value of luminaire/bracket being replaced in full at financial year end
2. Annual rate 1 capital annuity charges + residual value of luminaire/bracket being replaced over remaining life of asset

3. Capital charges up front + residual value of luminaire/bracket being replaced in full at financial year end
4. Capital charges up front + residual value of luminaire/bracket being replaced over remaining life of asset

Estimated total annual annuity charges luminaires FY19 – \$1,101,918.81 Ex GST

Estimated total annual annuity charges brackets FY19 – \$20,345.59 Ex GST

Upfront capital cost luminaires + brackets FY19 – \$9,390,311.51 Ex GST

Total Residual value of assets being replaced FY19 – \$2,888,859.95 Ex GST

Where council chooses to pay the capital and residual values in full, this value is calculated in the financial year that the asset is replaced. The table above details the total charges if all assets are replaced in FY19. If replacements occur beyond FY19, a new residual value and capital charge will be calculated to reflect the financial year in which they are replaced.

Further details of all charges are included in the attached spreadsheet. There may be some variance to the total capital charges depending on the options chosen by council and the actual field inventory. This is why the above charges are estimates. This will be trued up at the completion of the project.

Timing of Project

Once formal approval and acceptance of charges is received from council, Ausgrid will schedule works with council to occur across a mutually agreed time frame. Due to the complexity and size of this project, Ausgrid requires commitment from council that they are willing to see the project through to completion once started.

Choice of Luminaires

If council has a preference of luminaire type this should be indicated in the attached response form.

Choices for category P4/P5 luminaires are:

- 17W Sylvania StreetLED mk2 P4/P5
- 20W GE Evolve P4/P5

Currently Ausgrid has only one option for replacement of category V street lights. This is detailed below in the Individual Luminaire Capital Charges section below.

If council wishes to use a mix of the category P4/P5 luminaires, Ausgrid will allocate as close to a 50% mix as possible. Ausgrid proposes that where a mix is selected that the type of light will be limited to map sections so that individual streets will have the same type of light installed.

Individual Luminaire Capital Charges FY19

Details of the capital charges are listed below. Council has the choice of either an upfront charge or the regulatory rate 1 charge over a 10 year period. Rate 1 charges will increase by CPI each year until year 10.

- 1. 17W Sylvania StreetLED mk2 (P4/P5)**
 - Up-front charge - \$481.08 or
 - Rate 1 annuity charge - \$58.71

- 2. 17W Sylvania StreetLED RRW (P4/P5 RRW less than 12m)**
 - Up-front charge - \$492.46 or
 - Rate 1 annuity charge - \$60.10

- 3. 20W GE Evolve (P4/P5)**
 - Up-front charge - \$407.73 or
 - Rate 1 annuity charge - \$49.76

- 4. 28W Sylvania StreetLED mk2 (P3)**
 - Up-front charge - \$492.46
 - Rate 1 annuity charge - \$60.10

- 5. 42W LRL NXT (V5)**
 - Up-front charge - \$725.27 or
 - Rate 1 annuity charge - \$88.51

- 6. 100W Aldridge VLED (V3)**
 - Up-front charge - \$1,269.05 or
 - Rate 1 annuity charge - \$154.87

- 7. 200W Aldridge VLED (V1)**
 - Up-front charge - \$1,269.05 or
 - Rate 1 annuity charge - \$154.87

- 8. 298W Aldridge VLED (V1)**
 - Up-front charge - \$1,420.81 or
 - Rate 1 annuity charge - \$173.39

Notes

1. All charges are Ex GST.
2. Rate 1 annuity charges cease after 10 years.
3. Upfront and Rate 1 charges are firm only for lights replaced in FY19

Individual Bracket Capital Charges FY18/19

Brackets that are installed as part of this program can be paid up front or at Ausgrid's rate 1 charges. Again, the up-front charge is based on a discount rate that is described in additional detail in the attached spreadsheet.

1. 2m Bracket

Up-front charge - \$214.68
Rate 1 charge - \$12.10

2. 0.5m Bracket

Up-front charge - \$151.89
Rate 1 charge - \$8.56

Notes

1. All charges are Ex GST
2. Rate 1 annuity charges will be charge continuously throughout the life of the asset.
3. Upfront and Rate 1 charges are firm only for brackets replaced in FY19

Adjustments to Rate 1 annuity charges

All Rate 1 annuity charges are based on current rates at the date of this letter and are subject to adjustment to reflect future regulatory determinations. Ausgrid reserves the right to increase or decrease its Rate 1 annuity charges based on the outcome of any such regulatory determinations.

Up-front Capital Charge

Where Council chooses to pay the cost of the project upfront in lieu of Ausgrid's rate 1 tariffs, an initial 20% of the total upfront capital charge will be invoiced to Council at the commencement of the project. Depending on the size of the project, there will be two or three progress payments. This is to be discussed and agreed with Council prior to commencement. Note that as upfront charges are calculated based on current Rate 1 charges (subject to adjustment and discounting as described in the attached spreadsheet), there will not be any adjustment to upfront charges based on future regulatory charges

Volume Discount

Where the upfront capital charge has been chosen, there is potential to reduce the capital costs. This will be on a case by case basis and determined if applicable after volumes are known.

Ongoing Maintenance Charge

Once the new luminaires are installed, they will be subject to an ongoing yearly maintenance charge. The charge in FY19 for residential LED street lights will be **\$34.11** per luminaire and **\$36.83** per major road LED luminaire and will be adjusted annually as per regulated street lighting charges. Estimated annual maintenance charge for FY19 for the newly installed LED's is **\$344,472.75** Ex GST

Adjustment at the end of the Project

Once the project is completed, Ausgrid will compare the proposed number of replacements with actual number of new luminaires installed in the field and make any necessary adjustments as required. A final credit or invoice will be issued at the completion of the project.

Next Steps

To proceed with this project, please complete the attached project approval form and return via email to John Bedding at publiclighting@ausgrid.com.au

Once your **approval to commence project form** is received, the work will be scheduled, materials ordered and you will be provided with a commencement date, timing of up-front payment (if applicable), progress payments (if applicable) and residual payments and an Ausgrid project manager will be appointed.

Street Lighting Smart Controls

Although not a part of this roll out, Ausgrid is trialling a number of smart control systems. Ausgrid over the coming months will be discussing this technology with council to understand what aspects council are interested in. There are vast number of technology choices that all have cost/value trade-offs which need to be explored with council.

Ausgrid looks forward to receiving your approval and working with you on this project.

Regards,



Paul Cahill
Head of Customer Experience

Accelerated Street Lighting Replacement Program
Approval to Commence Project for *CITY OF SYDNEY*

Choice of Luminaires

Please tick appropriate box/s:

- 17W Sylvania StreetLED mk2 P4/P5
- 20W GE Evolve P4/P5
- Mix

New Luminaire Capital Charges

Please tick one box only:

- Option 1 – Rate 1 annual capital charges + residual value in full upfront
- Option 2 – Rate 1 annual capital charges + residual value over time
- Option 3 – Capital charges upfront + residual value in full upfront
- Option 4 - Capital charges upfront + residual value over time

Agreement to pay the following:

- Residual value of existing assets either as a lump sum or over the remaining life of asset. Up front residual value is \$2,888,859.95 ex GST
- Capital charges as selected above. Up front capital charge is \$9,390,311.51 ex GST. This value is subject to true up depending on actual in field inventory.
- Ongoing maintenance charges as detailed in this letter.

Council Contact for this Project

Name: _____

Contact Number: _____

Approved By

Signature

Title

Date

For and on behalf of *CITY OF SYDNEY*.

Return via e-mail

Attention: John Bedding publiclighting@ausgrid.com.au

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