28 January 2020

The Hon Matt Kean, MP
Minister for Energy and Environment
52 Martin Place
SYDNEY NSW 2000

Dear Minister Kean

Re: Reforming electricity distribution pole access to support emerging smart cities

I am writing as a follow-up to our conversation last year about public lighting contestability and, related to this, the growing need for a new policy framework to facilitate effective, equitable and efficient access to electricity distribution poles for Councils, other State agencies and other stakeholders in the private sector.

Reform in this area is needed to facilitate the timely and cost-effective deployment of a range of important emerging communication, smart city and transportation technologies. Simply put, the natural home for many of these technologies is on the ubiquitous electricity distribution poles found at regular intervals on every street. However, the complexity, cost and delays in placing and maintaining devices on these poles can be significant barriers under the current regulatory framework.

I would encourage your Department to consider reform in this area as a priority with important societal and economic implications for the State across a range of policy areas.

Street Lighting Background
While the need for reform of how devices are placed on poles now reaches well beyond the issue of smart street lighting, it is useful to briefly summarise the history of street lighting in NSW as an illustrative example of the case for broader reform.

Under the NSW *Local Government Act* and the *Roads Act,* it is Councils and Transport for NSW which have exclusive responsibility for considering whether street lighting should be provided, to what level and in what manner. Councils historically exercised their responsibilities to provide street lighting via regional county councils that they had jointly established.

With corporatisation of the former county councils from the early 1990's, the direct links between Councils and the electricity companies was removed. This left Councils and the predecessors to Transport for NSW with continued legal responsibility for street lighting, but with the newly corporatised distribution utilities owning more than 90% of public lighting assets and making the great majority of policy, technical and service level decisions over the past three decades. Street lighting services have been a non-contestable service since corporatisation of the DNSPs (other than for new construction amounting to about 0.5% of total street lighting each year in the Ausgrid region).

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During this period IPART and then the Australian Energy Regulator have provided oversight of street lighting pricing but there was not a robust regulatory framework regime governing minimum street lighting service levels until your Department implemented a mandatory NSW Public Lighting Code on 1 July 2019. This was a key first step in reforming the provision of public lighting in NSW that has been strongly welcomed by Councils and other stakeholders.

Broader issues of street lighting contestability and a pole access regime were raised by a number of parties during Code deliberations but were judged by the Department to be beyond the scope of the Code at the time.

A key driver of the push for reform in this area has been the rapidly accelerating pace of LED street lighting, smart controls and related sensor technology, and the clear evidence internationally that new technology adoption was happening much more slowly where utilities controlled the street lighting. For example, in the UK, where Councils control their street lighting, the deployment of smart controls now exceeds 35% of all street lights while it is estimated to be less than 2% in Australia. With a growing array of technology choice, misaligned responsibilities and little incentive for the utilities to adopt new technology, this is hardly surprising.

SSROC notes that policy debates about public lighting contestability (and wider issues of a pole access regime) is not specific to NSW. Indeed, after widespread stakeholder consultation, the Commonwealth-sponsored IPWEA Street Lighting & Smart Controls Programme highlighted many of these issues in its 2016 Roadmap (https://www.slsc.org.au/slsc/slsc-publications/slsc-roadmap) and at subsequent policy consultation workshops staged around Australia the following year.

This debate is also common internationally wherever there is utility ownership of public lighting. In some jurisdictions (eg most notably in the New England states and California in the US as well as here in the Northern Territory and Tasmania), governments have decided to open up contestability of street lighting services in recent years.

It is my view that NSW councils should similarly have a choice of who provides their street lighting service so that they can take advantage of the emerging technologies that best meet their needs and potentially, save money and improve service levels for their communities in doing so.

The Pole's Pivotal Role in the Future Smart City
While discussions about contestability and pole access may have started with street lighting, the same issues are encompassing a growing array of emerging technologies in the public domain where the most suitable location for these is on electricity distribution poles.

Electricity distribution poles are found at regular 30-80m intervals on every urbanised street. They have readily accessible electrical power and are structurally ideal for locating many emerging technologies, most of which are best located at elevation.

These emerging technologies include:

- LED street lighting with smart controls (and increasingly, embedded sensors)
- 4G/5G mobile telephony augmentation (eg 'mini-cells')
- CCTV
- Public WiFi
- Electric vehicle infrastructure
- Autonomous vehicle infrastructure
- Public address systems
- Emergency help points
- Dynamic signage
- A rapidly growing range of smart city sensors (eg vehicle/pedestrian counting, climate sensors, pollution detectors, noise sensors)

These important emerging technologies are ones where, as the public authorities, it is Councils, Transport for NSW, the NSW Department of Planning, Industry & Environment and other State agencies that should generally be the ones deciding what to deploy in the public domain, in what manner to deploy it, where to deploy it and, importantly, how the valuable and potentially sensitive data which many of these devices produce is to be managed in the public interest.

It is my view that NSW councils and State agencies should similarly have a better pole access regime to facilitate a choice of who provides their smart city services in a manner that best meets their needs and the needs of their communities.

MAKING REFORM A PRIORITY

Now that a basic service-level framework has been implemented for utility-owned street lighting under the NSW Public Lighting Code, I would encourage your Department to give consideration to prioritising reform of street lighting contestability and broader questions of establishing an effective, equitable and efficient pole access regime to facilitate widespread deployment of emerging smart city technologies.

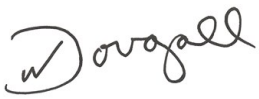
Such a regime would see the utilities become the landlord of the pole and, while not curtailing reasonable technology choice, would need to continue to ensure that the highest levels of worker and community safety are maintained.

Five primary areas that would need to be considered in a reform process include:

a) A review of the ASP Scheme Rules to ensure that they adequately cover the installation and on-going maintenance of street lighting/smart city devices on distribution poles;
b) A review of current safety requirements for ASPs to ensure that the requirements pertaining to installing and managing devices such as street lights and other smart city assets on distribution poles are reasonable;
c) A review of the technical connection requirements for street lighting and other smart city assets to ensure that these requirements give non-discriminatory access to connect such assets to the network;
d) A review of price regulations to ensure that councils and other agencies have non-discriminatory access to connect to the network and to use the existing distribution poles without new and unprecedented charges being instituted; and
e) An exit mechanism to ensure that Councils and Transport for NSW can take over responsibility for current street lighting on equitable terms should they wish to do so.

SSROC has been working on street lighting issues for some years with 29 councils under a highly successful Street Lighting Improvement Program. SSROC and its member Councils would welcome the opportunity to work constructively with the Department, the NSW electricity distributors and other stakeholders to progress reform in this area.

Yours sincerely



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