

New LED streetlights would save energy but saving money is the question

By Brock Weir

A conversion of streetlights to LED lights could be in the offing very soon, if Council gives the green light to moving ahead with the project this week.

Councillors are set to sign off on a \$3 million plan this week, which was conditionally approved during last year's budget process, which will see all of Aurora's street lights converted to more energy efficient Light Emitting Diode models.

According to Town Staff, the conversion to LED lights could reduce the Town's associated energy costs by up to 60 per cent, and maintenance costs by up to 80 per cent, but these savings will take an up-front investment and more time to pay off.

While Councillors generally spoke favourably about potential savings of the program last week, some questioned recommendations to work with a partner on the conversion, particularly Energy Service Company (ESCO) on the changeover.

According to a report from Ilmar Simanovskis, Aurora's Director of Infrastructure and Environmental Services, working with ESCO would enable Aurora not only to change over the lights, but also develop an energy reduction strategy in tandem with that. A company such as that would be able to look at other areas of energy consumption around Town and make recommendations on how to do better.

There is clear savings expected for the street lighting program, however, there may be longer term benefit to taking some of that savings and reinvesting it on other areas of the operation to increase overall long-term energy savings, said Mr. Simanovskis in his report. This approach will also allow for real time market space. The use of an ESCO is the preferred approach as it provides for the most flexibility and greatest risk mitigation.

Councillors gave tentative approval to the project at last week's General Committee meeting, a recommendation which will need to be ratified at Council this week. At the time, however, some Councillors, including Sandra Humfryes, questioned how long it would take Aurora to recoup its initial investment in the LED program. Mr. Simanovskis, however, said that that is hard to say at the moment because although energy use might go down, energy suppliers might look for other ways to make sure their own businesses are not impacted by the switch.

One of the big questions is the energy supplier, how much of a savings we would actually be able to garner because just like we have in our water program there are fixed costs for operations and you have to collect a certain amount of revenue, he said. If we propose a huge reduction in energy consumption, we may be looking at raising the rates to offset. That negotiation is a big question mark.

Although he said he supports the idea of converting Aurora's streetlights to LED, Councillor Michael Thompson questioned whether working with ESCO was the right way to do it, asking if those conversations had been had with Powerstream, Aurora's energy supplier, in seeing if there would be a hit from their end if revenues looked to be heading down.

It has been a little bit challenging at this point in time, replied Mr. Simanovskis. I am not receiving a lot of support from our power supplier as to how they might address this.

But one way to address this uncertainty is to go forward with hiring ESCO, said Aurora CAO Neil Garbe.

The advantage of ESCO is your funding options are much greater, he said. You can transfer the entire risk of the project to them. You don't have to put in a dime. They take some of the savings, they guarantee the savings and it is up to them to produce it. This gives us a much broader range of options than it would just going through a vendor.