

Aurora moves forward with LED streetlight switch-out

By Brock Weir

It might cost over \$3 million, but Aurora Council is confident the investment in converting nearly all of the Town's streetlights to LED fixtures will be a sound investment for the future that will pay for itself.

Council voted unanimously to forge ahead with the plan after receiving answers to a laundry list of questions posed to municipal staff, including whether the return on investment is worth it and whether the fluid nature of the rapidly evolving LED light market might mean a better deal could be just around the corner.

"We are confident in the savings we have forecasted," said Ilmar Simanovskis, Aurora's Director of Infrastructure, whose department has forecast a return on investment of approximately 10 years realised through energy savings. "It is reasonable and achievable and, at the end of the day, what we're saving is the reduction in maintenance efforts. I am confident this is achievable and I am confident the costs will be reduced based on the direct savings on a kilowatt to kilowatt basis."

Approximately 4,506 light fixtures are expected to be replaced across Town. According to Kerry Wilson of RealTerm Energy, the group that will be facilitating the switch-out, his group completed a full analysis of Aurora's network of streetlights, looking closely at the details that can vary from neighbourhood to neighbourhood.

He estimated an energy savings of 60 per cent, but a factor to consider is up to 46 per cent of Aurora's street lights are decorative, and this has upped the costs of the initiative.

"They tend to be a little less efficient and a lot more money to produce those," he said, noting this eventually boiled down to \$713 on average for each new fixture. "That reflects that 46 per cent of the inventory is just more expensive to replace. They are just not done in the same mass production. The payback is eight years on a simple payback basis and in all those numbers we have included an allowance to rewire 35 per cent of the fixtures to replace the fuses in all of them. It is never fun to come back and ask for more money, so we put provisions in there that is as realistic as possible."

Following his presentation, Councillors pressed Mr. Wilson on his company's warranty on the lights being installed. The installations come with a 10 year warranty, just as payback is expected, and this caused concern among some Councillors. The standard warranty in situations like this is five years, Mr. Wilson noted, adding that if there is any failure "it is very likely to be in the first year," which is covered by the warranty they are offering Aurora.

It is possible to extend the warranty, but that would come at a cost, he concluded.

Costs were top of mind for other Councillors who wanted reassurance that going out to a debenture to cover the cost of the \$3.5 million project, rather than funding it from Aurora's Hydro Reserve Fund, was truly the best way forward.

Town Treasurer Dan Elliott told Council that was something that was considered, but looking back to a different project where the Hydro pot was the proposed funding model, he said it became "very clear" there was reluctance from Council and Community to use the money "without a comprehensive consultation with the community" as to what to do with the funds.

This time around, however, using a debenture was more cost effective in the end.

"It was an option to consider but at the time I could actually leave that money in and earn more money than I pay someone else to borrow their money," said Mr. Elliott. "It was a very easy recommendation to say let's go outside and borrow money. It makes sense. It will be paid through the savings immediately. You won't see a budget change because the savings is replaced with a debt payback."