

19 January 2026

Dr Kris Funston
General Manager Network Regulation
Australia Energy Regulator
Level 35, 360 Elizabeth Street
Melbourne VIC 3000

By email: vic2026@aer.gov.au

Dear Dr Funston,

Re: Draft determination Victorian Electricity Distribution Price Review (EDPR)

On behalf of our members, the Victorian Greenhouse Alliances (VGA) are pleased to provide this response to the Australian Energy Regulators (AER) draft determination and the subsequent revised proposals submitted to the AER by the Distribution Network Service Providers (DNSP) on 1 December 2025.

The VGAs are formal partnerships of local governments and statutory agencies driving climate change action across Victoria's municipalities. The VGAs deliver regional mitigation and adaptation programs that provide economies of scale and enable projects typically beyond the reach of individual councils and agencies. Our project work is complemented by targeted advocacy, capacity building and regional partnerships.

We urge the AER to consider the following issues and recommendations when making its final determination:

1. The Victorian Public Lighting Code

The VGAs welcome the review of the Code and the steps the AER has taken to proactively engage with the Essential Services Commission (ESC) following our initial response to the Victorian EDPR 2026-31.¹ The Code was clearly out of date due to technology changes, which has impacted the operation and management of street lighting. Updating the Code is important, as it remains a key method by which the DNSPs and the AER test the assumptions within the DNSPs' pricing models. We congratulate both agencies in coordinating this update to coincide with the regulatory reset process and ensuring the resulting benefits for customers are delivered in the next pricing period.

2. Public Lighting

The VGAs are broadly supportive of the revised proposals from all DNSPs, particularly the increase in the number of efficient LEDS from 159,000 to 184,000. This increased investment will deliver significant energy savings and emissions reductions for councils and communities across the state. It will also overcome the split incentive between councils and Department of Transport which has historically prevented the upgrade of cost-shared lights on major roads.

¹ <https://eaga.com.au/wp-content/uploads/2025/05/EDPR-2026-31-LG-Response-final-2025-05-13.pdf>



We also welcome the proposed investment in smart lighting assets and supporting technology platforms. The roll-out of smart lighting will deliver further energy savings as well as range of other safety and amenity benefits for councils and their communities.

We support much of the proposals put forward by all DNSPs and applaud them for their proactive engagement with customers on public lighting over this period. However, there are several matters which remain outstanding that we would advocate for in this submission, including some small, but significant changes to deliver the best value for customers. These include:

a. Type 9 metering and allocation of charges

We note the difficulty in preparing for and allocating budget for Type 9 metering given that some of the rules clarifying metering obligations are still to be released. We also acknowledge that each DNSP has sought to include relevant pricing within this EDPR period. In some instances, this directly impacts public lighting OMR prices and in others, costs are allocated more broadly to metering services.

Given the evolving nature of this work, we believe the following outcomes are in the best interests of public lighting customers:

- That all Victorian DNSPs are able to offer Type 9 metering services to customers
- Given Type 9 metering supports a range of services (in addition to public lighting) we believe the costs of establishing DNSP systems should not be allocated solely to public lighting charges (e.g. OMR). This needs to be balanced with a statewide approach for the deployment of smart lighting on major roads which has broad support from councils². This deployment ensures the delivery an estimated \$1b of significant road safety benefits in Victoria over the asset lifetime. The current structure of tariffs associated with smart lighting has been negotiated with customers and seeks to moderate direct smart lighting charges and spread costs across all public lighting assets. This ensures the wider community benefit is not eroded by high capital and operating charges for smart lighting. In other jurisdictions where this structured approach to a statewide rollout have not occurred, we have seen very low uptake and limited resulting benefits. Consequently, we request that the AER do not request significant changes to smart lighting or Type 9 tariff structures without further consultation with customers.

b. Jemena

We have identified several problematic issues within Jemena's revised pricing model and have met with Jemena representatives on 18 December 2025 to discuss the below items. Jemena assured council representatives of their intent to resolve these issues in the manner that provides best outcomes for customers. The issues are still being progressed and some of these may have been resolved by the date of this submission to the AER. Issues included:

- Jemena's revised pricing model is inequitable and creates a scenario whereby councils who have already undertaken and paid for their own LED upgrade projects will pay for asset renewal in other municipalities over the next 20 years. This issue is most acute for Brimbank, Darebin and Merri-bek councils who have already invested over \$6 million in transitioning more than 80% of lights to LEDs. Councils have consistently requested that Jemena adopt an approach that addresses the inequity issue, throughout our engagements during 2024 and 2025. During the meeting on 18/12/2025 Jemena indicated their willingness to add charges for LEDs for both a customer funded and a DNSP funded approach (as per Ausnet) and ensure that existing council

² Consultation completed for this EDPR period by CitiPower, Powercor and United Energy indicated 91% of stakeholders support the DNSP completing the smart cell in-fill program.

funded LEDs are allocated to a customer funded tariff, thus eliminating the major source of cross subsidisation.

- The Jemena model appears to be assuming a significant number of self-funded LEDs over the period (see image below for example³). During the meeting on 18/12/2025 Jemena indicated they would review this data and also noted this would not have a material impact on per light prices.

JEN 2026-31 Revised Proposal - ACS Public Lighting PTRM input model

Forecast Volumes

Input Forecast Light Population					Closing Balance				
Light Type	Source	Unit	Grouping	Funding	2026-27	2027-28	2028-29	2029-30	2030-31
T5 (2x24W)	JEN	Number	Energy efficient	Self-funded	0	0	0	0	0
LED 18W (incl. other standard Category)	JEN	Number	Energy efficient	Self-funded	3,687	11,914	17,461	17,949	17,949
Compact Fluoro 32W	JEN	Number	Energy efficient	Self-funded	0	0	0	0	0
Compact Fluoro 42W	JEN	Number	Energy efficient	Self-funded	0	0	0	0	0
LED 70W	JEN	Number	Energy efficient	Self-funded	457	1,567	3,440	4,661	4,661
LED 118W, 155W, 162W	JEN	Number	Energy efficient	Self-funded	0	0	0	0	0
LED 275W	JEN	Number	Energy efficient	Self-funded	1,405	4,702	11,103	15,611	15,611
Total	Calculated	Number			83,825	85,217	86,629	88,062	89,517
Legacy lights	Calculated	Number	Legacy	JEN-funded	21,984	16,103	6,269	0	0
Energy efficient lights	Calculated	Number	Energy efficient	JEN-funded	56,291	50,931	48,356	49,840	51,295
Self-funded energy efficient lights	Calculated	Number	Energy efficient	Self-funded	5,549	18,183	32,004	38,221	38,221

- Jemena have not created a per light smart lighting tariff for residential light types. Unlike major road lighting, the energy efficiency savings and business case for smart lighting in residential area is currently unviable, meaning customers who request smart lighting in residential areas should pay for this service. Ausnet have resolved this by creating an "Opt-in smart lighting" tariff for the main residential light type. By creating this tariff customers can choose smart lighting for residential areas whilst eliminating cross subsidisation from councils who do not choose this service. We would like to emphasise that we support integrating smart lighting costs into the major road tariffs (i.e. the current position of all Victorian DNSPs), because all major road lights will by design have smart lighting installed (thus eliminating cross subsidisation). In addition, a statewide approach for major roads ensures the delivery of the overwhelming road safety benefits this technology drives (including the road safety benefits already mentioned). During the meeting on 18/12/2025 Jemena indicated a willingness to add this tariff for the main residential light types (for both a customer and DNSP funded tariff, as per Ausnet).

We would be happy to meet with the AER to discuss this submission. Enquiries and key contacts:

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³ JEN – RP - Att 11-06M ACS Public lighting inputs model - December 2025 – Public, Forecast Volumes worksheet

Victorian Greenhouse Alliances and contacts

- Barwon South-West Climate Alliance (BSWCA), Sue Phillips, Executive Officer,
sue.phillips@bswca.org
 - o City of Greater Geelong
 - o Golden Plains Shire
 - o Surf Coast Shire
 - o Colac Otway Shire
 - o Warrnambool City Council
- Central Victorian Greenhouse Alliance (CVGA), Annika Kearton, Chief Executive Officer,
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 - o Ararat Rural City Council
 - o Ballarat City Council
 - o Buloke Shire Council
 - o Central Goldfields Shire Council
 - o Gannawarra Shire Council
 - o Greater Bendigo City Council
 - o Hepburn Shire Council
 - o Loddon Shire Council
 - o Macedon Ranges Shire Council
 - o Mildura Rural City Council
 - o Mount Alexander Shire Council
 - o Pyrenees Shire Council
 - o Swan Hill Rural City Council
- Eastern Alliance for Greenhouse Action (EAGA), Scott McKenry, Executive Officer,
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 - o City of Boroondara
 - o Glen Eira City Council
 - o City of Knox
 - o Maroondah City Council
 - o Monash City Council
 - o Stonnington City Council
 - o Whitehorse City Council
 - o Yarra Ranges Council
- Gippsland Alliance for Climate Action (GACA), Tiffany Harrison, Executive Officer,
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 - o East Gippsland Shire Council
 - o Latrobe City Council
 - o Wellington Shire Council
- Goulburn Murray Climate Alliance (GMCA), Carole Hammond, Executive Officer,
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 - o Alpine Shire Council
 - o Benalla Rural City Council
 - o Campaspe Shire Council
 - o Indigo Shire Council
 - o Mansfield Shire Council
 - o Mitchell Shire Council
 - o Moira Shire Council
 - o Murrindindi Shire Council



- o Towong Shire Council
 - o Strathbogie Shire Council
 - o Wangaratta Rural City Council
 - o Wodonga City Council
 - o Alpine Resorts Victoria
 - o Goulburn Broken Catchment Management Authority
 - o North East Catchment Management Authority
- Northern Alliance for Greenhouse Action (NAGA), Dean Thompson, Executive Officer, dean@naga.org.au
 - o Banyule City Council
 - o City of Darebin
 - o Hume City Council
 - o Manningham City Council
 - o City of Melbourne
 - o Merri-bek City Council
 - o Nillumbik Shire Council
 - o City of Whittlesea
 - o City of Yarra
- South East Councils Climate Change Alliance (SECCCA), Helen Steel, Chief Executive Officer, hsteel@seccca.org.au
 - o Bass Coast Shire Council
 - o Bayside City Council
 - o Cardinia Shire Council
 - o City of Casey
 - o Mornington Peninsula Shire Council
 - o City of Kingston
 - o City of Port Phillip
- Western Alliance for Greenhouse Action (WAGA) Fran MacDonald, Executive Officer, franm@brimbank.vic.gov.au
 - o Brimbank City Council
 - o Maribyrnong City Council
 - o Hobsons Bay City Council
 - o Melton City Council
 - o Moonee Valley City Council
 - o Moorabool Shire Council
 - o Wyndham City Council

This submission has been approved through the Greenhouse Alliances' governance structures but may not have been formally considered by individual members. The submission does not necessarily represent the views of all members.

