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AUST. COMPETITION &
CONSUMER COMMISSION
MELBOURNE
24 AUG 2010

Australian Energy Regulator

General Manager Network Regulation South- attn Mr C. Pattas

GPO Box 520

Melbourne VIC 3000

FILE No

D10/3666241

PARADOXISM.

Dear Chris,

I would like to belatedly comment on the AER's Preliminary Positions: Framework and Approach for Aurora Energy in respect of public lighting.

Specifically, Streetlightsled Pty Ltd support:

1. The use of Aurora's categories for public lighting services as the basis for regulatory control;
2. The classification of public lighting services as a direct control service;
3. The further classification of public lighting services as an alternate control service;
4. The application of a price cap control for public lighting services.

I actually consider that it would be helpful in a regulatory sense to recognise public lighting as a 'Public Good' as defined in economic theory as opposed to the other Private goods traded on the National Energy Market.

I would also like to take the opportunity to restate the previously communicated concern that the Australian Energy Regulator should not take a narrow interpretation of its role as the economic regulator of the National Energy Market as it applies to the monopoly market for public lighting. (Refer letter dated 19 May 2010) The assessment for public lighting in Tasmania, as in other States, has only considered price and information asymmetry as the scope of economic regulation of the public lighting market. Economic regulation would usually include a range of other market externalities.

Specifically I would urge that the Australian Energy Regulator make requirements for public lighting efficacy, and the compliance with toxic waste obligations. Both of these are significant matters of public concern where inaction by the Australian Energy Regulator could be considered as inadequate regulation of the market externalities of energy efficiency and toxic hazards. In both these matters, public lighting is a major opportunity for Local government to manage their direct energy consumption and their contribution to leachate. However, as recognised in the Preliminary Positions

Framework, these municipal Councils are rarely adequately resourced to manage these matters on a jurisdictional basis. A more effective governance model would be for the Australian Energy Regulator to regulate for the Australian public lighting market with respect to energy efficiency and toxic waste.

I can confirm that discussions with an infrastructure service provider are continuing with a view to providing a competing service; however the current regulatory framework maintains significant advantages for the extant governmental monopoly providers.

Thank you for the opportunity to comment.



Andy van Emmerik

Director

StreetlightsLED Pty Ltd