

Easy Money: Streetlight Conversion

BY BRUCE FERGUSON

Towns and villages can now take advantage of a new program guaranteed to reduce municipal costs for years to come—it's called "LED streetlight conversion." It will enable even the smallest village to save thousands of dollars a year. Annual savings for large towns can be measured in the hundreds of thousands of dollars.

Simply put, streetlight conversion means that a town or village purchases its streetlight fixtures from the utility that owns them and replaces the old lights with energy-efficient LED bulbs. LEDs use only a fraction of the electricity consumed by old-fashioned high-pressure sodium and mercury vapor lamps—and they sharply reduce maintenance costs because they only need to be replaced once every 15 or 20 years.

Reduced maintenance costs and energy efficiency are not the only ways that streetlight conversion can produce savings. Energy audits can also cut monthly bills. Because streetlights are unmetered, municipalities are frequently billed for broken or even non-existent fixtures. One expert reckons that overcharges typically account for around 5% to 7% of a streetlight bill. An audit can be used to revise future bills downward and to recoup up to six years of past overpayments.

Streetlight conversion is also an opportunity for a town or village to take stock of its existing lighting system. Are more lights needed in some areas? Are some fixtures unnecessary? Are streetlights in residential neighborhoods annoying because they shine in bedroom windows, or because they're too bright? New directional lighting fixtures can improve visibility and safety while simultaneously reducing light pollution.

Several companies, including the not-for-profit New York Power Authority (NYPA), offer so-called "turnkey" conversions, a soup-to-nuts package that handles every aspect of the job, including financing. Municipalities that sign a contract with NYPA don't have to put up any money. Instead, they can sign a municipal leasing contract—the authority pays for the conversion and then retains ownership of the streetlights until the municipality has repaid the cost out of savings realized through lower maintenance expenses and savings on electric bills. Revenue-neutral payback periods for Sullivan County municipalities range from around four to 11 years.

LED streetlight conversion is relatively new in New York State. It was only last summer that the New York State Public Service Commission ordered utilities to facilitate municipal ownership. Several Sullivan County municipalities have been quick off the mark. The Village of Monticello was first to sign a conversion contract. It went with Energy Systems Group, an energy services company based in Indiana. Bethel and Tusten, both towns with active volunteer energy committees, were among the first to solicit proposals from NYPA. Several other towns have already followed suit, and others are expected to act in the weeks ahead. It makes sense for municipalities to work in concert with one another on the conversion process, because if municipal projects can be bid out together, the aggregated demand may reduce material and labor costs. This is of particular benefit to small towns with a limited number of streetlights.

Obtaining conversion proposals from NYPA or one of the for-profit energy companies is a simple process. A municipality only needs to provide the company with a single streetlight electric bill and a copy of its streetlight inventory that is generated by the utility and provided to the town.

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