



WOODSTOCK, N.Y.  
COLONY OF THE ARTS

Kenneth S. Panza, Liaison  
Town of Woodstock  
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September 12, 2018

Honorable Kathleen H. Burgess  
Secretary to the Commission  
New York State Public Service Commission  
Agency Building 3, Empire State Plaza  
Albany, New York 12223-1350

CASE 18-M-0084 - In the Matter of a Comprehensive Energy  
Efficiency Initiative.

Dear Secretary Burgess;

Please accept the attached Resolution of the Woodstock Town Board for the record in the PSC's stakeholder forum on the Utility System Value of Energy Efficiency to take place on September 14, 2018 from 10:00 AM to 3:30 PM.

Sincerely yours,

A handwritten signature in cursive script that reads "Kenneth S. Panza".

Kenneth S. Panza

Attachment: Resolution of the Woodstock Town Board

**RESOLUTION 166-18**

**AUTHORIZE CENTRAL HUDSON TO REPLACE FAILING STREETLIGHT FIXTURES WITH LEDS**

Offered by Supervisor McKenna, seconded by Councilwoman Ricci:

**Whereas**, on March 16, 2015 Central Hudson announced, "Central Hudson [is] committed to a goal of replacing the existing fixtures with LEDs for requesting municipalities within five years, with a minimum of 10 percent in any one calendar year for each municipality making a request," and

**Whereas**, in September 2015, the Woodstock Town Board authorized the supervisor to sign an agreement with Central Hudson to replace existing streetlights with LEDs with an expectation that within five years all the town's streetlights would be converted to LEDs.

**Whereas**, on March 10, 2017, the PSC issued an Order (CASE 16-E-0616) that essentially annulled the above agreement and eliminated its advantages for the town, and

**Whereas**, in August 2018, the Woodstock Town Board signed a Master Cost Recovery Agreement with the New York Power Authority (NYPA) to provide a turn-key solution to upgrade the Town of Woodstock's existing streetlights to energy efficient LED technology. Under the terms of the Agreement, NYPA will provide a final design report, conduct bids for materials and installation labor, provide construction management, and commission the final project, and

**Whereas**, when the project design and bidding is completed, the town will receive an Initial Customer Installation Commitment (ICIC) for review and signature to proceed with the project. Conversely, the town can decide not to proceed with the project. The Woodstock Town Board anticipates installing LED streetlights to reduce its energy consumption and carbon footprint, and is seeking a cost effective and reasonable approach for adopting LED technology, and

**Whereas**, the Town Board may determine that the cost, complexity, and responsibilities incumbent on assuming ownership of the town's streetlights are unjustified and pursue alternatives to ownership for acquiring LED streetlights, therefore

**Be it Resolved**, the Woodstock Town Board petitions the Public Service Commission to reinstate the 2015 regulations that allowed customers to authorize Central Hudson to replace failing streetlight fixtures with LEDs over a five year period with no cost to the customer. The order should explicitly identify burned out, non-LED light bulbs as eligible for replacement with LEDs, and

OFFICE OF THE TOWN CLERK

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**Be it Resolved**, the Woodstock Town Board submits this petition for the record in CASE 18-M-0084, "In the Matter of a Comprehensive Energy Efficiency Initiative."

All voted 5-0: Supervisor McKenna - aye  
Councilman Rose - aye  
Councilman Heppner - aye  
Councilwoman Ricci - aye  
Councilman Earls - aye

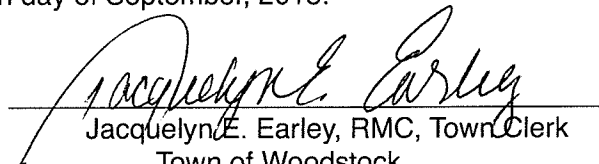
**STATE OF NEW YORK**  
:SS:  
**COUNTY OF ULSTER**

I, the undersigned Clerk of the Town of Woodstock, Ulster County, New York, **DO HEREBY CERTIFY:**

**THAT** I have compared the attached proceedings of the Town Board of the Town of Woodstock including the resolution contained therein with the originals thereof on file in my office and that the same is a true and correct copy of the said original as recorded in the minutes of the Town Board meeting dated September 11, 2018 and filed in the Office of the Town Clerk.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the seal of the Town of Woodstock, New York this 12th day of September, 2018.

SEAL

  
\_\_\_\_\_  
Jacquelyn E. Earley, RMC, Town Clerk  
Town of Woodstock



**WOODSTOCK, N.Y.**  
COLONY OF THE ARTS

Kenneth S. Panza, Liaison  
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September 4, 2018

Honorable Kathleen H. Burgess  
Secretary to the Commission  
New York State Public Service Commission  
Agency Building 3, Empire State Plaza  
Albany, New York 12223-1350

CASE 18-M-0084 - In the Matter of a Comprehensive Energy  
Efficiency Initiative.

Dear Secretary Burgess;

This submission is in response to the PSC's notice of August 23, 2018 announcing a stakeholder forum on the Utility System Value of Energy Efficiency to take place on September 14, 2018 from 10:00 AM to 3:30 PM, and to share the Town of Woodstock's experiences pursuing energy efficiencies available by converting existing utility owned streetlighting to LEDs.

## Introduction

I am writing as the Woodstock Supervisor's Liaison to the Ulster County Climate Smart Committee. In this role, I am responsible for auditing the town's utility bills (Central Hudson), and providing recommendations for reducing costs and improving efficiencies. The town has created a detailed database consisting of over six years of utility bills that allows evaluation of programs and energy options offered to the town. Examples include the implications of VDER, net metering, remote net metering, and community generation. Our evaluation shows the town could reduce its energy consumption by 32,000 kWh/year with LED streetlights, but the path to achieve these efficiencies is at

best difficult. In an August 14, 2015 press release, Central Hudson stated, “It is estimated that municipalities throughout the Mid-Hudson Valley could together save more than \$900,000 in energy costs each year if all 25,000 existing leased streetlights were replaced, reducing electricity use by the equivalent of powering nearly 1,250 homes and avoiding nearly 2,900 tons in CO2 emissions annually.”<sup>1</sup> Streetlight conversion is a fitting opportunity for the utilities to attain energy efficiency, and it should be a goal of this proceeding that the utilities become responsible for LED streetlight conversion.

## Background

During a recent presentation to the Woodstock Town Board, a representative of the Mid-Hudson Streetlight Consortium explained the three options available for the town to obtain the benefits of LED streetlights: the “Current Model,” “Utility Convert,” and “Municipal Ownership.”

### Current Model

The initial approach for obtaining LED streetlights depended on Central Hudson. In a March 16, 2015 press release, Central Hudson announced, “Central Hudson . . . committed to a goal of replacing the existing fixtures with LEDs for requesting municipalities within five years, with a minimum of 10 percent in any one calendar year for each municipality making a request.”<sup>2</sup> The Woodstock Town Board authorized the supervisor to sign an agreement with Central Hudson to replace existing streetlights with LEDs with an expectation that within five years all the town’s streetlights would be converted to LEDs.

This approach made a lot of sense to the town. In 2014, Woodstock had hired C.T. Male engineering consultants to perform a streetlight inventory and advise how the town could purchase and replace its existing streetlights with LEDs, but the conclusion was negative and no action was taken. Central Hudson’s offer to replace existing streetlights with LEDs seemed to be a sensible and practical alternative to ownership.

- The town would obtain the benefits of the LEDs’ electrical efficiency and lower costs without the burden of purchasing existing fixtures and without the responsibility for maintenance and repair of town owned streetlights.
- Replacing existing fixtures with long-life LEDs would save Central Hudson the repair cost of a crew and bucket truck to replace burned out light bulbs. Replacing failed light bulbs with long life LEDs would reduce the overall cost of streetlight maintenance.

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<sup>1</sup> Central Hudson Press Release, “Central Hudson Wins Approval to Lease LED Streetlights,” August 14, 2015, [https://www.cenhud.com/news/news/august14\\_2015](https://www.cenhud.com/news/news/august14_2015)

<sup>2</sup> Central Hudson Press Release, “Central Hudson to Offer LED Street Light Option to Municipalities,” March 16, 2016, [https://www.cenhud.com/news/news/march16\\_2015](https://www.cenhud.com/news/news/march16_2015)

On March 10, 2017, the PSC issued an Order<sup>3</sup> that essentially annulled the above agreement and eliminated its advantages for the town.

The Order explains, “Central Hudson offers a maintenance option to its municipal customers, by which all non-working non-LED street lights are replaced with LED equivalent fixtures. A failed non-LED street light is defined by the Company as any non-working street light. As such, under the maintenance option, Central Hudson replaces a working HPS luminaire due to an HPS bulb failure.” The PSC then orders, “Central Hudson is directed to modify its maintenance option such that only failed luminaires are replaced with a new LED luminaire at no charge to the customer.”<sup>4</sup>

The Order further explains, “While replacing, at no cost to the customer, a failed non-LED luminaire with an LED luminaire through a maintenance option is appropriate, replacing a fully functioning non-LED luminaire due to a bulb or photocell failure is not because the functioning non-LED fixture is prematurely retired.”

The original March 2015 regulations allowed the utilities to replace streetlights as the existing luminaires failed. The revised March 2017 regulations limit the utilities to replacing only those fixtures damaged by accidents, weather events, falling trees, etc. The result is fewer LED streetlights and reduced energy efficiencies. This proceeding should recommend a return to the 2015 guidelines that allowed the utilities to manage non-LED streetlight replacements.

### Utility Convert

The advantage of returning to the 2015 regulations is that the utilities will manage the LED replacements without involvement by the local government entity. The disadvantage is the process is extremely slow and dependent on the life expectancy of the existing luminaries. The “Utility Convert” option allows the governmental entity to accelerate the LED conversion process by purchasing the existing streetlights and contracting with the utility for the installation, maintenance, and repair of the LEDs. The utility retains ownership of the new LEDs. The cost and complexity of negotiating with the utility for the purchase of the existing streetlights is a major burden and disincentive.

### Municipal Ownership

For some governmental entities, municipal ownership of streetlights makes sense. Utility fees and rental charges can be burdensome, and it can be financially responsible to take over the ownership,

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<sup>3</sup> CASE 16-E-0616, Order Approving Addition of Led Street Lighting Options With Modifications, (Issued and Effective March 10, 2017), <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={F9824576-1ADE-4FF7-BC3A-E7E4E468CF7A}>

<sup>4</sup> Ibid. Page 8

maintenance, and repair of streetlights. In addition to purchasing the existing streetlights from the utility, it's necessary to issue RFPs to purchase new LEDs, contract for services to install the new fixtures, obtain maintenance services, and plan for repair services. For larger governmental entities, many of these services can be performed by employees, but for smaller entities, most of these services will be obtained from outside vendors and contractors.

## Summary

Two of the existing models, Utility Convert and Municipal Ownership, require governmental entities to negotiate with the utilities for the purchase of the existing streetlight inventory. The governmental entity has the option to contract with the utility for the installation, maintenance, and repair of the LEDs or the entity can assume full ownership and responsibility for the installation, maintenance, and repair of the LEDs.

For many smaller towns, it's prudent to do nothing. The cost and complexity of negotiating the purchase of the existing streetlight inventory with the utility will severely constrain the adoption of the LED streetlighting and the available efficiencies. The best approach would be to authorize the utility to convert to LEDs on a schedule based on failure of existing luminaries. But this option was removed in the March 2017 order.

## Recommendations

The PSC should reinstate the 2015 regulations<sup>5</sup> that allowed customers to authorize Central Hudson to replace failing streetlight fixtures with LEDs over a five year period with no cost to the customer. The order should explicitly identify burned out, non-LED light bulbs as eligible for replacement with LEDs. The rapid conversion of the state's streetlights to LED is an important component of energy efficiency, but the requirement that municipalities must first purchase and retire the undepreciated value of existing fixtures is a substantial obstacle for achieving the energy efficiency potential of LEDs.

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<sup>5</sup> CASE 15-E-0126, Order Adopting the Addition of LED Lighting Options with Modification, (Issued and Effective August 13, 2015), <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={28EE6EA3-D6D7-4B8A-8DDB-6D16DF0C6F13}>