

June 2020

To Each Member Waterford City & County Council

Borrowing approval to raise a loan from the Housing Finance Agency for the purposes of executing and delivering the Public Lighting Energy Efficiency (LED Retrofit) Project

As the Members will be aware, the Council is proposing to retrofit the public lighting system across the City and County with new high energy efficient and long lasting LED lights.

The estimated fully inclusive cost of the project to replace the 14,500 public lights is €9,880,000 and it is proposed to seek approval to borrow to a maximum of €9m from the Housing Finance Agency. The balance is being funded by a Climate Action Fund grant of €775,900 together with one-off energy credits that will accrue.

It is intended that the project will be fully self financing with no net impact on the annual revenue budget. There will be substantial energy and maintenance cost savings accruing from the LED system that will cover the loan repayments over a 12 year period – see table below-

Costs	Annual Energy Cost	Annual Maintenance Cost	Annual Loan cost	Total Annual Cost	12 Year Total
Existing system	€1,230,000	€548,650	0	€1,778,650	€21,343,800
LED Retrofit	€625,000	€354,000	€796,000	€1,775,000	€21,300,000

The loan repayments are based on current available HFA fixed rates of 1% for the period.

The project will have multiple benefits for the Council including

- Significant long term reduction in energy costs –savings of around 50% of the current energy costs.
- Significant reductions in maintenance costs and increased reliability – the lifespan of the LED heads will be greater than 20 years compared to the 3 – 5 year lifespan of the current SON and SOX lights which will both substantially reduce maintenance costs and significantly improve reliability
- The scheme will contribute to a large element (circa 12%) of the Council’s requirements to reduce CO2 emissions by 30% and energy usage by 50% by 2030
- The new technology will enable the dimming and trimming of lighting profiles in different urban settings giving rise to further savings in energy usage, CO2 emissions and light pollution

The project is to be delivered on a regional basis with Cork Co. Council acting as the lead authority for the purpose of procurement and contract delivery. It is expected that the regional project will go tender within the next couple of weeks with a contract commencement in December 2020 and a projected 2 year timescale for full completion.

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Roads, Water & Environment