USDN urban sustainability directors network

USDN Sustainability Innovation Report

August 2015

Urban Sustainability Innovator Profile: Dave Norwood

This month, we check in with Dave Norwood, the Sustainability Coordinator for the City of Dearborn MI, to hear how the LED Streetlight Convening project has taken a life of its own after the grant was complete.

Remind us, what was the purpose of the USDN Innovation Fund grant to Dearborn?

Dave: It was a Breakthrough Convening for 25 cities in Southeast Michigan to learn about LED streetlights. In Dearborn, we were inspired by the <u>Asheville NC white paper</u> about a creative LED streetlight funding model. I was shopping the white paper around to anyone who would listen. The Southeast Michigan Regional Energy Office's interest was piqued; they wanted to see if we could start a regional conversation to collaborate on moving LED streetlights forward. We were able to convince our local electric utility (DTE) to participate because we had such strong representation from so many communities.

What was the primary outcome from this convening that lived beyond the grant term?

Dave: This convening led to the creation of a 13-city consortium with the goal to transition Southeast Michigan to LED streetlights in about 5 years. Our first target is trying to upgrade around 70,000 streetlights.

How is the consortium structured?

Dave: I am the chair of the consortium, and we meet face-to-face quarterly and as needed by phone. Of the 13 consortium members, only two are USDN members, and six are members of the Michigan Green Communities Regional Network. We pooled our resources and have a budget of \$83,000 in 2015 to help us in regulatory, legislative, and legal representation efforts.

What are the most valuable insights gained by building this consortium?

Dave: We learned a lot about our utility. Previously, we couldn't access a real conversation with the utility, but when we all worked together, the utility became more available. Between that and a staffing transition, we were able to start building trust and candor with the utility. This helped us see how they view the lighting situation. The big insights for me were (1) a better understanding of DTE's perspective on capacity limitations for a transition to LEDs and (2) a deeper understanding of the DTE's business model for streetlights.

Regarding capacity limitations, it became clear that our utility does not have the staff for this amount of work. They are concerned about the availability of contractors in the region who are trained and able to work on streetlights. After learning this, the consortium began a process of prioritizing projects - using the utility's capacity limitations as our guide. As for their business model, we learned community streetlighting poles and luminaires are assets and are expected to be profit centers for DTE. They make 10% on the infrastructure and do not actually make anything on the energy. This was an eye opener for me and changed the focus of the conversation.

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What is the consortium working on right now?

Dave: Based on how this group started, it's unfortunate that currently our major focus is on a rate case against DTE. In 2014, DTE filed a LED tariff with our state utility commission without input from consortium members. The tariff would raise the streetlighting costs for cities that want to switch to LEDs. We were frustrated, to say the least. But because we had already formed the consortium around a shared goal, we worked together to pool our resources and hire representation to intervene in the rate case on our behalf. Our hope is to get a final tariff that passes the energy savings from LEDs down to the municipal customer. Right now, we are filing the final brief stage in the process.

Are there any other efforts that have resulted from this consortium?

Dave: We are working with the Michigan Municipal League to pursue state legislation in favor of LED streetlights. One angle we are exploring is municipalizing the lighting systems without creating additional costs to local governments. We have just started conversations with the new Public Lighting Authority in Detroit to see if they could assume ownership and responsibility for streetlighting. This is a potential route, but far too early to tell if it will pan out.

Can you explain more about what the consortium is thinking regarding working with Detroit?

Dave: The idea is to see if we can get out from under DTE. Perhaps Detroit's new Public Lighting Authority could service our cities instead. When Detroit went bankrupt, it created an opportunity to do things very differently. One of the things that happened was the Emergency City Manager dissolved the Detroit Power and Lighting Authority due to bankruptcy. In its place, they created this new authority, which has already replaced 48,000 streetlights. We do not know where this will go, but it is worth exploration.

It has been nice hearing about all the work your group has built on the foundation of the investment from the USDN Innovation Fund. Is there anything else you would like to share?

Dave: I think streetlighting should be seen the same way as turning on your tap for water. Water is a public good: every resident and business owner wants and expects clean water. To me, streetlights are critical to local governments because they are about safety. With an investor owned utility, streetlights are about profit. It is not critical to the lifeblood of a local government in their eyes.