

1 Q. **Reference: CA-NLH-031**

2 In Hydro’s experience has the purchase cost of LED streetlight systems for its LED Street Light
3 Program been declining or increasing over the past ten years? Please provide any available
4 quantitative information on these costs, both historical and anticipated.

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7 A. Newfoundland and Labrador Hydro (“Hydro”) commenced the conversion to LED¹ street lights in
8 2015; as such, Hydro is unable to provide ten years of data as requested. Please refer to Table 1
9 for the unit cost of 100 W LED street lights since these conversions began.² It is noted that these
10 are material purchase costs only.

Table 1: Street Light per Unit Purchase Costs – 100 W LED 120 V

Year	Unit Cost (\$)
2015	183.54
2018	208.00
2019	163.35
2020	148.57
2021	130.52
2022	139.79
2023 ³	135.79

11 As shown in Table 1, unit purchase costs have generally decreased. Purchase costs of units for
12 the 2021 program have been managed through a three-year vendor agreement, entered into in
13 2021. The original proposal included a 4.04% increase in price over the three years of the

¹ Light-emitting diode (“LED”).
² The Nain LED street light pilot project, implemented in 2015, provided direct cost savings because of the displacement of fuel costs. As a result, Hydro converted the street lights in the community of Ramea to LED street lights in 2018 and submitted a two-year capital proposal in its “2019 Capital Budget Application” to convert street lights to LED in the remaining diesel systems. The proposal was approved as per *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 46(2018), Board of Commissioners of Public Utilities, December 10, 2018. Execution began in 2019 with the conversion of street lights in the community of Cartwright. In 2020, the street lights in all remaining isolated Labrador communities’ were converted to LED. Hydro submitted a capital proposal in its “2021 Capital Budget Application” to replace all high-pressure sodium street lights by 2026 for both the Island and Labrador.
³ Current contract pricing.

1 agreement, 2% per year. While 2021 pricing proceeded as per the agreement, in 2022, Hydro
2 accepted a new proposal in light of changes in commodity prices, which resulted in a 6% to 7%
3 increase over the 2021 pricing.⁴ In 2023, Hydro will be entering an optional year of the
4 agreement with the current vendor and may decide to re-tender for 2023 if there are potential
5 cost savings with an alternate vendor.

⁴ Range of increase is due to range of products purchased under this agreement.