

6 December 2019

Community Power Hub Bendigo
Bendigo Sustainability Group
23a Sommerville Street
FLORA HILL VIC 3552

Victorian Government
P.O. Box 500
Melbourne VIC 3002

Att: Hon Lily D'Ambrosio
Minister for Energy, Environment and Climate Change
lily.d'ambrosio@parliament.vic.gov.au

RE: Request for Strong Support for Community Owned Renewable Energy & Ongoing Funding of the Community Power Hub Program

Dear Lily

Thanks for your and your Government's support to date of renewable energy and particularly community owned and benefitting renewable energy in Victoria.

Victoria is the national leader in community energy. Across the country, there are over 100 community energy groups and amazingly about half of these, such as the Bendigo Sustainability Group, are based in Victoria. These community energy groups contribute a massive volunteer effort and input strengthening local economies, growing clean energy capacity and improve the social license of renewables. Through our Community Power Hub Bendigo pilot project we have demonstrated how local people can take ownership and an element of control as well as being a part of the clean energy future.

In urban Bendigo alone, households and businesses spend over \$150 million each and every year on electricity. Sadly this money presently mostly heads out of Bendigo and profits head overseas. A substantial increase in the local community ownership of our electricity generation system, and over time a transition away from gas to electricity, will see massive ongoing benefits for our community by way of money staying local and the creation of local jobs both through the installation, operation and maintenance of the community owned renewable energy systems as well as the re-spending of the money remaining locally..

The preliminary outcomes from the review of the two year pilot CPH program have indicated some extraordinary results including the delivery of 15 community energy projects, 1.35 MW of renewable energy installed, \$9.1 million in bill savings (money remaining locally) over a 25 year life cycle and over 1,800 tonnes of CO² emissions abated per year. The leverage achieved on the government investment has been **13 to 1** with that rising to a staggering **72 to 1** if all current pipeline projects were delivered. More than 20,000 connections were made in community over the two year period.

We commend the plan of the Coalition for Community energy (C4CE) to mature the sector (refer attached) including a carve out of the VRET and a community feed-in tariff for mid-scale community energy projects. CPH Bendigo has multiple 2 MW solar farms that could likely be implemented within short timeframes with this support. The recommended Smart Energy Communities Program would enable our existing community power hubs to thrive and expand and new ones be developed including with Bendigo's support.

With the outcomes from the pilot program now known (we understand the review is with you), we call upon the Government to urgently commit funding for the Community Power Hub Bendigo for the balance of the 2019/20 financial year, and for subsequent years, so that our work can continue, projects be implemented and expanded and community benefits be realised. We urgently need this funding to be able to retain our key local contractors and staff and be able to properly remunerate as well as engage specialists.

We commend the State Government for its efforts and encourage further action so our sector can reach its full potential. To this ends we support the Coalition for Community Energy's (C4CE) call, as the peak body for the community energy sector, for ongoing significant financial support in this area.

We look forward to your ongoing support and your near-term response. We would welcome the opportunity to meet with you to discuss further. Please do not hesitate to contact the undersigned should you have any queries.

Yours sincerely



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ATTACHMENTS:

Community Power Hub Pilot Program Summary Outcomes

Coalition for Community Energy (C4CE) Request Information Flyer

✓ Pilot Community Power Hub achievements

15

Community energy projects built

1.35MW

Renewable energy installed

1,705MWH

Renewable energy generated per year

\$364k

In bill savings per annum

\$9.1m

In bill savings over 25 year lifecycle

1,839tCO₂

Carbon emissions abated per year

- 12,425 hours of voluntary labour worth at least \$496,990
- \$446,350 of value derived from utilising community networks and relationships to drive communications and community engagement



✓ Pilot Community Power Hub achievements

\$14.5m

Of value generated within the 2-year pilot period

13-1

leverage on government investment

\$23.3m

Lifecycle value of projects completed during pilot

20k+

Connections made in community

114

Meetings and public events held

200

Businesses and organisations engaged

Should the pipeline projects actualise: increase in leverage of government investment to 72-1



Leading Community Energy

Victoria is the national leader in community energy. Across the country, there are 105 community energy groups and 50 of these are based in Victoria. Responsive policies and programs have enabled these groups to learn about community energy and plan projects that will benefit them. These programs have unlocked a massive volunteer effort across the state that will strengthen local economies, grow clean energy capacity and improve the social license of renewables. As the peak body for the community energy sector, we commend the State Government for its efforts and encourage further action so our sector can reach its full potential.



What are the benefits of community energy?

Community energy projects are unique. They: provide proportionately large direct and indirect local benefits i.e. community funds and employment opportunities; create new pathways for environmental volunteering and climate action with strong economic and community development outcomes; and, offer a new model of engagement around renewable energy, benefitting the broader renewable energy sector.

Where are we now?

The Victorian State Government has taken commendable action over the last two terms to encourage community energy projects. Since 2015 the state government has:

- commissioned the Guide to Community-Owned Renewable Energy (2015)
- delivered the New Energy Jobs Fund (2015)
- instigated the Parliamentary Inquiry into Community Energy Projects (2016)
- funded and delivered the Community Power Hubs Pilot (2017-2019)
- created a new PiLoR methodology for community generators (2018)
- funded the Z-NET Community Transition Pilot (2018)
- funded the Renewable Communities Program (2018)
- initiated the Parliamentary Inquiry into Tackling Climate Change in Victorian Communities (2019)

Many of these initiatives have enabled the sector to become more developed and strengthened community efforts. However, we now have a large number of pilots and pre-development projects that, in the absence of federal energy policy, do not have financial or logistical support needed to reach maturity. To ensure these policy investments facilitate the development of community energy projects, the state government needs to refine its policy approach.

Our plan to mature the community energy sector involves the following aims: to ensure access for all Victorians to participate in and benefit from the energy transition; unlock mid-scale community energy projects which benefit communities, the distribution network, the environment; and, to support community-led action on climate change.

A plan to mature the sector

C4CE has consulted with community energy groups in Victoria and various affiliated organisations and recommends the following set of policies and programs to ensure the Victorian community energy sector is on a pathway to maturity.

1. Community Energy Target

- a. *Determine a carve-out of the Victorian Renewable Energy Target (VRET) for community energy of 100MW by 2025*
- b. *Establish a Feed-in-Tariff (FiT) for mid-scale community energy projects of 6-7c premium above PPA/wholesale rate for 15 years*

The proposed criteria for the CE FiT is:

- community-led project or community/developer partnership
- local shareholding inclusive of community investment (minimum 20%), including council, water authority, etc (> 50% total)
- project scale > 1MW - 10MW
- local control and decision-making power related to the project
- local distribution of the social and economic benefits generated through the project.
- project is appropriately scaled to the local environment and/or community
- project harnesses the skills and capital of the local community

2. Smart Energy Communities Program

- a. *Scale up the regional Community Power Hub Pilot*

Deploy 6 x Community Power Hubs in each DELWP region to the value of \$10m over 4 years.

- b. *Deploy strategic community energy grant funding*

\$13m over 4 years, split into:

- first projects stream for small-scale and replicable projects (~\$30k per group)
- mid-scale community renewables stream for development phase milestone-based grants for community renewables (~\$150k per grant)

- c. *Scale up the Community Transition Pilot for lighthouse communities*

Enable 5 x lighthouse communities to deploy zero-net emission masterplans and programs over 4 years to the value of \$5m (LGA scale or smaller).

- d. *Support a collaborative Community Energy Capacity Building Network*

Fund \$2m over 4 years to share the learning of these activities and build capacity across Victorian communities with the support of Sustainability Victoria.

3. Solar for All Program

- a. *Develop a Solar For All Pilot*

Fund \$750k for a Solar For All Solar Gardens pilot project for 1000 households.

- b. *Create a Solar for All Rebate*

Expand the Renters Solar Rebate program delivered by Solar Victoria to ensure locked-out energy users across Victoria can access solar at scale via a *Solar For All Rebate*.

C4CE commends the strong track record of Sustainability Victoria in supporting our emergent sector and recommends Sustainability Victoria as the state government agency that hosts the community energy portfolio on behalf of the state government.