

“Unlocking Community Energy in Australia”

Submission from the Goulburn Broken Greenhouse Alliance



The Goulburn Broken Greenhouse Alliance supports the initiative to recognise and structure the community energy sector. The Goulburn Broken Greenhouse Alliance (GBGA) is a formal network of 13 regional and rural councils, and three regional agencies, located across northern and north eastern Victoria.

The communities in these regions are very active in community energy development. The extent of commitment and community capacity is shown by 17 active community energy groups, compared with around 100 nationally. Local and mature community schemes have developed significant stand-alone and rooftop solar, combined with microgrids. In the north east region, the community is financing development of a community energy retailer.

This submission responds to the discussion paper “Unlocking Community Energy in Australia” prepared by Dr Helen Haines MP.

The discussion paper identifies considerable benefits of Community Energy:

- By 2040, around 25% of the nation’s energy is expected to derive through rooftop solar alone (Australian Energy Market Operator and CSIRO). Community energy development will increase this proportion in the regions in integrated local systems.
- Community renewable distributed energy presents regional and sub-regional development opportunities. It delivers significant co-benefits, with value returned to local communities. Community led development aims to include all parts of the community in this opportunity.
- Community energy can retain hundreds of millions of dollars in the regions; the flow on effects will potentially lead to revenue redistribution 7 or 8 times locally before leaving a region as opposed to 1 or 2 times for electricity bills paid directly to a distant retailer. This will boost business opportunities in regions experiencing impacts of fires and COVID.
- It improves community economies, as energy development supports local services, jobs, infrastructure and skills development. Studies show community renewables projects source 12% of components and 92% of services locally.
- Community energy can deliver effective energy development for many communities that experience regular outages network capacity restrictions, with reduced need for transmission line upgrades. CSIRO estimates by 2050 proper integration of distributed renewables could reduce network charges for all customers by 30% of 2016 levels and avoid unnecessary expenditure on the national network by a cumulative \$101 billion by 2050.
- Community energy development can improve reliability in the region, in conjunction with pumped hydro energy storage (PHES) and other storage options. A study of PHES potential in the Hume region by ANU shows high quality sites could store around 1260 GWh. Of these 570 GWh of PHES is in four areas co-located with the region’s existing high voltage network.

It is essential that community energy development is funded as an integral part of the national renewable energy development. For regional communities this offers the opportunity of stable, future focussed industries with the creation of technology, training and jobs. Many regional industries have demonstrated innovation during the COVID disruption and are capable of building the renewables economy, centred on community energy.

Consolidate existing opportunities to underpin community energy development

Ensure long term commitment to an ambitious Renewable Energy Target (RET) as the foundation of renewable energy development. The current uncertainty about the future of the RET is causing de-investment in the renewables sector, with the threat of 11,000 national job losses in new energy businesses.

Smart energy management technology, that achieves local energy transfer and allows measures to reduce peak energy demand, requires reliable and fast internet. Resilient communications technology is also essential to maintain digital information and communications during the increasing incidence and intensity of natural emergencies projected due to climate change.

The 2018 Australian Digital Inclusion Index identified northern Victoria (Goulburn and Ovens Murray area) as one of two Victorian regions having the lowest digital access in Victoria. This included lowest technological scores, indicating the urgent need for infrastructure to overcome this issue that disadvantages households and businesses and compromises community safety.

Further initiatives to support development of community renewable energy

Mechanisms to encourage sustainable investment -

Example 1 Creation of a CRET – community renewable energy target -to stimulate capital for community energy development

Example 2 A community energy feed in tariff which is above wholesale rates to recognise the grid development savings and the value of non-commercial benefits of community energy assets

Mechanisms and incentives for the energy industry to assist and participate in community energy development, to provide knowledge and skills essential for this development.

A collaborative Regional Knowledge Hub with sustainable government funding source would assist long term development of community energy projects.

Investment in grid infrastructure to enable access to local grids for local energy transfer, forming township and sub-regional energy networks, and supplement incoming transmission supply. This can form the basis of island networks during emergencies like the 2019-20 bushfires, which exposed the dangerous vulnerability of existing network constraints, with communities exposed to crucial and ongoing energy outages.

Investigations and action to remove legislative barriers and introduce enabling rule changes, for example to allow Virtual Net Metering to be used with local grid energy transfer. Enabling Local Energy Trading using Virtual Net Metering would unlock significant opportunities for businesses and communities to generate and sell electricity locally to neighbours.

A Regional Framework

The Hume Renewable Energy Strategy (Victorian Department of Environment, Land, Water and Planning) identifies the 'big picture' opportunities in the region for renewable energy. Added to Community Energy is the potential for hydrogen fuel and biogas fuel development, which will benefit the transport and agriculture sectors.

Communities are investing significant social and economic resources into development of community energy. To transform this potential into a major sector of the integrated energy future, as identified by the CSIRO, further regional and subregional studies are needed.

Such studies are needed to:

- ensure the wide range of co-benefits are achieved from community energy development
- deliver a transition to community renewable energy that is just and equitable, to deliver affordable renewable energy to all community members
- conduct technical and economic investigations so government and communities can plan integrated development in sub-regions and investors can understand these opportunities
- link renewables development with the regional storage opportunities offered by pumped hydro-energy storage, as well as other technical options
- enable local energy input to the grid, to deliver income for local communities
- buffer communities from the impacts of climate change, including heatwaves and increased natural emergency events
- define the roles of community, councils and agencies to achieve coordinated and effective regional development that delivers key community benefits.



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Mansfield Shire Council

Moira Shire Council

Mitchell Shire Council

Murrindindi Shire Council

Strathbogie Shire Council

Towong Shire Council

Wangaratta Rural City

City of Wodonga

Goulburn Broken Catchment Management Authority

North East Catchment Management Authority

Department of Environment Land Water and Planning (Hume regional office) (associate member)