## Draft National Community Energy Strategy Summary

## Project Purpose

The purpose of the National Community Energy Strategy is to develop a shared agenda ~ vision, set of objectives and priority initiatives ~ to grow a vibrant community energy sector across Australia. To ensure that this is truly a shared agenda, a highly collaborative process has been undertaken to build and secure commitment from all key actors in the emerging community energy sector.

## ABOUT COMMUNITY Energy

Community Energy is the term used to describe the wide range of ways that communities can develop, deliver and benefit from sustainable energy. It can involve supply-based projects such as renewable energy installations, storage, and demand side projects such as community education, energy efficiency and demand management. Community energy can even include community-based approaches to selling or distributing energy.

Community energy projects encompass a variety of technologies and activities across a range of scales, determined by community needs, availability of local natural resources, technologies and funding, and community support.

#### Community energy projects help to:

- Decarbonise our energy supply through using renewable energy technologies
- Decentralise and localise our energy supply
- Democratise our energy governance through community ownership and participation (Ison, 2009) and
- Demonstrate that clean energy technologies work and that a clean, low carbon energy future is possible.

They also build community support through engagement and education about a tangible renewable energy project of a greater scale than household solar.

## The Australian Community Energy Sector

The community energy sector in Australia has grown from little more than an abstract concept in 2006, to a point where in mid-2014 there are 11 community energy projects operating and approximately 60 more in development. In addition, there are a range of supporting organisations providing services to and advocating for community energy at a state and national scale. Through this process, these organisations have formed the Coalition for Community Energy (C4CE) – a collaborative governance system to enable greater collective impact across the growing community energy sector through joint priority initiatives. C4CE anticipates that with policy support the Australian community energy sector could follow in the footsteps of the Scottish community energy sector, which grew to over 300 operating community renewable energy projects in a decade.

## Developing the National Community Energy Strategy

The National Community Energy Strategy project commenced in December 2013, funded by the Australian Renewable Energy Agency (ARENA) and led by the Institute for Sustainable Futures (ISF) at the University of Technology Sydney. The Strategy team comprises the following founding organisations of C4CE: Starfish Initiatives, Embark, the Alternative Technology Association, the Total Environment Centre, Community Power Agency, Backroad Connections, Sustainable Regional Australia and the NSW Office of Environment and Heritage. In July 2014, a contract variation for the project was confirmed and the project team has expanded to include ClearSky Solar Investments, the Between Social Movements and Social Enterprises Research Program at UNSW, RePower Shoalhaven and the Moreland Energy Foundation.

#### The following steps were undertaken to develop the National Community Energy Strategy:

## Define the overarching questions guiding the development of the Strategy:

It was agreed that these were: What will it take to get the current wave of community energy projects in development to a point that they are operating? What will it take to replicate the successful models of community energy in communities across Australia?

## Develop a framework for the Strategy that addresses these guiding questions:

An all day workshop by the Strategy team identified the five key areas that need to be addressed in order to grow the community energy sector:

*Facilitating community energy models:* identifying models that require minimal institutional changes to be successful, and outlining strategies that may facilitate their uptake in communities across Australia.

*Funding and Financing:* investigating the most appropriate avenues to increase funding for community energy projects.

*Capacity Building:* identifying initiatives that can build the capacity of community energy proponents to deliver their projects on the ground.

Building Community, Government and Industry Support for Community Energy: identifying enablers for building community energy knowledge amongst key stakeholders who currently lack such knowledge.

*Policy and Regulatory Reform:* identifying key policy and National Electricity Market reforms that will enable community renewable energy projects.





## Develop a Draft National Community Energy Strategy for feedback:

A national survey of 38 community energy projects and a series of interviews with key stakeholders were used to identify objectives and priority initiatives for each area. The information gathered was summarised into the draft Strategy, set out on the inside pages of this document, ready for your feedback!

#### Deliberative Democracy Session as part of the Inaugural Community Energy Congress:

At the Congress, the Draft Strategy was presented to and input sought from approximately 180 community energy stakeholders in a half-day session at Old Parliament House. At this session, participants were invited to develop and share their vision for a community energy sector, identify a series of questions that a comprehensive National Strategy should answer and start to develop the most pertinent Priority initiatives to grow the sector. Based on this input, the Strategy was revised, expanded and refined into a first formal draft.

#### Finalise National Community Energy Strategy:

As part of the National Community Energy Strategy project, additional work will be undertaken to develop a monitoring and evaluation framework, better develop the community energy models sub-strategy, and undertake economic modelling to underpin the finance and funding sub-strategy. The National Community Energy Strategy will be revised and finalised in February 2015 to reflect this new work. Under the guidance of the Coalition for Community Energy (C4CE), the National Community Energy Strategy will then be updated periodically to reflect evolving sector needs.



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Vision: Our vision is for communities as hubs of innovation and collaborative action for community energy by residents, business, industry and government. Their shared purpose is to create an Australia that is powered by sustainable energy.

Community energy creates community cohesion, empowerment and sustainability. The community energy sector is characterised by its collaborative ethos and a commitment to meeting energy needs in ways that are fair, inclusive, empowering and sustainable.

## Community Energy Models

- Increase the accessibility of existing viable community energy models.
- Create an environment that fosters innovation and development of new community energy models.

**Objectives** 

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**Priority Initiative** 

### Funding and Finance

- Increase the availability and accessibility of finance & funding that community energy projects need to the point where they are operating.
- Reduce costs of community energy projects to increase their economic viability.
- Maximise revenue streams available to community energy projects
- Adequate resourcing is available to community energy support providers.
- Develop the community energy sector into a vibrant, robust, highly skilled, and

adaptable sector.

Capacity

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• Build capacity from within through innovative communications, networking and skills development.

## Profile Raising and Policy and **Regulatory Reform** Stakeholder Support • Foster a policy and regulatory environment that supports and removes barriers to the growth of the community energy sector. • Advocate continuation and expansion of the RET and support for ARENA and the CEFC. • Develop a partnership strategy for targeted allies • Support projects in gaining access to electricity networks at a reasonable cost and timeframe. Advocate regulatory changes necessary to facilitate community off-grid or micro-grid systems. • Create a strategy for pitching community energy • Promote rights for projects to sell energy at a fair price. • Support community energy projects in selling energy services to their members and the market e.g. electricity, heat, energy efficiency. • Work with State Governments to develop programs to support community energy • Create a council and community energy network Advocate a Community Clean Energy Target • Enable Virtual Net Metering

- Increase key actors' awareness of community energy and its benefits.
- Assist community energy projects to communicate the benefits to their local community and the wider public

- Promote viable community energy models.
- Create resources that assist community groups to decide which model to adopt or to develop a new model.
- Encourage and promote communitydeveloper partnership models of community energy
- Support the development of new energy efficiency, peak demand management, storage, bioenergy, thermal network and small hydro based models of community energy.
- Support community energy groups in setting up and developing community off-grid or micro-grid systems and business models.
- Develop models of community energy based on Environmental Upgrade Agreements
- Develop a community energy business model that works regardless of government policy

- Advocate community energy grant programs: government and philanthropic.
- Increase community energy groups' competence in fundraising.
- Work with investors to develop a revolving finance fund.
- Foster innovative approaches to electricity retailing.
- Advocate a regulatory structure that supports crowd-based equity funding
- Develop shared services
- Develop a funders roundtable to better connect funders and finances with community energy projects and strategic initiatives
- Develop dynamic peer-to-peer networks and shared learning through collaborative communications tools.
- Develop a community energy training, mentoring and networking events program.
- Develop an authoritative central web repository of information and resources .
- Develop a database for stakeholders to register the support they can provide/require e.g. potential solar hosts register.
- Coordination and backbone support.

- of the community energy sector.
- Create an evidence based communications strategy framework for community energy.
- Recruit influential champions to promote community energy.
- to key 'gatekeepers'.
- Engage farming communities to co-create regional development opportunities
- Build partnerships with mainstream energy companies – networks and retailers
- Build support for community energy within all political parties

## **Delivery of the Strategy**

This Strategy is a high-level plan for government, community and business to grow a vibrant community energy sector in Australia. The Strategy guides the joint activities of the Coalition for Community Energy members. If one or more priority initiatives or objectives resonates with your organisation or group, or seems similar to something you are already working on, we invite you to contact the C4CE Secretariat on secretariat@ c4ce.net.au. We are interested in your projects and if other groups are working on similar ideas there could be potential to collaborate.

## Tracking the progress of the Strategy

As the next stage of the National Community Energy Strategy project, ARENA has funded the development of a monitoring and evaluation framework that will provide metrics to track the progress of the wider community energy sector as well as the vision, objectives and initiatives outlined above. The framework will also provide recommendations for the next draft of this Strategy.