

June 2020

## Submission to 'Unlocking the community energy opportunity in Australia'

Thank you for the opportunity to make a submission to the co-design process for unlocking the community energy (CE) opportunity and developing a renewable energy plan for regional Australia.

**The Coalition for Community Energy represents the network of 105 community energy groups from around Australia.**

Responsive policies and programs, particularly by the New South Wales and Victorian State Governments have enabled these communities to learn about community energy and form organisations and partnership to plan projects that will benefit them. These programs have unlocked a massive volunteer effort across the country 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 your efforts and encourage further action so our sector can reach its full potential. Many of these groups are tackling climate change beyond community energy and 100% renewable and are looking at zero-net energy and zero-net emissions.



Image by Community Power Agency [cpagency.org.au](http://cpagency.org.au)

## About the Coalition for Community Energy

The Coalition for Community Energy (C4CE) is a network of over 100 organisations working to grow a vibrant community energy sector. C4CE's first National Community Energy Strategy, created at the time of founding in 2014 was jointly produced by advocates across the sector.

C4CE's objectives are to:

- Guide and support development of the CE sector
- Create a coordinated voice to better advocate for the needs of the sector
- Grow the sector's profile, influence and membership (beyond the 'usual suspects')
- Facilitate the alignment of efforts by members with support, systems, tools and training which enable collaboration for collective impact
- Identify and create strategic opportunities and attract investment for the sector
- Coordinate strategic initiatives which build the knowledge, know-how and capacity of members and the sector.

C4CE have run two successful Congresses in 2014 and 2017, bringing the sector through an initial phase of awareness raising followed by skill development. C4CE is currently developing a knowledge hub, building on resources initially produced for the sector by Embark. C4CE is uniquely positioned to further support the growth of this nascent sector across Australia.

## The benefits of community energy

In the National Community Energy Strategy, C4CE defines community energy as follows:

*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-side projects such as renewable energy installations and 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.*

It is particularly important to note that CE is not defined technically, such as based on the scale of a clean energy project (e.g. a community-scale solar farm), but rather based around community participation and benefit. CE projects are unique and 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?

Your assessment of the sector captures the challenges of building CE projects. However, it is important to expand this snapshot to take in states where community energy is underdeveloped and also to acknowledge growing movements such as the zero-carbon community movement that is gaining momentum across the country. South Australia, Tasmania and Queensland where fewer CE initiatives have occurred, will have differing priorities to Victoria and New South Wales. A strategy will take on new dimensions in Northern Territory and Western Australia where the relationships with electricity providers are significantly different. Therefore, the suite of policies delivered needs to be flexible enough to be fit for purpose across these differing contexts and these communities should be consulted with in order to determine this.

A plan to mature the sector and provide Federal Government support to accelerate this, should include the following key policy attributes:

1. *Determine a Target for community energy (Community Energy Target)*
2. *Establish a financial mechanism for mid-scale community energy projects*
3. *Scale up the Community Power Hub Program to be national*
4. *Deploy strategic community energy grant funding*
5. *Support the 100 renewable and zero-carbon community movements*
6. *Support a collaborative Community Energy Capacity Building Network and utilise existing networks in each state to best deliver this*
7. *Prioritise a socially inclusive energy transition with specific programs for groups such as renters and those on low incomes*
8. *Incentivise use of the low voltage and 22kV grid for community energy projects, generation and storage, in order to avoid augmentation and upgrades of the NEM and enable a faster transition*

## Community Energy Target

Our members are wanting to build, own and operate mid-scale projects and like large developers, they need price certainty to deliver. There is a market barrier in the pricing of electricity infrastructure that fails to unlock the savings of locating energy supply near demand. There are no incentives for the market to unlock public benefits such as improved community resilience and local jobs.

The financial mechanism should follow a process with the following criteria:

- Encourage collaboration
- An EOI process so projects can bid early, giving them the confidence to develop
- Be simple to administer, with clear objective success criteria
- Minimise political risk through not requiring ministerial or departmental sign-off
- Include projects over a broad range of technologies
- Be tailored to value and deliver the multiple benefits associated with CE

The proposed criteria to determine who is eligible includes:

- community-led project or community/developer partnership with broad local support
- 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

Thank you for your consideration,

The board of C4CE