

Community Energy Program

Briefing for Elected Members

June 2019







Since mid-2017, staff from Resilient Hills & Coasts partner Councils have been exploring how to work with each other, and our communities, to deliver a regional Community Energy Foundation.

This briefing is to inform Elected Members about the proposal Resilient Hills & Coasts has developed, alongside industry experts and our communities. It outlines the steps taken to date, and those planned over the next 24 months, to seek your approval to get the Foundation up and running.

Why are we interested in community energy?

Collectively, our region spends around \$150 million on electricity each year. Most of this money leaves our local economy – but with community energy, we can keep more of it here.

Our communities deserve access to energy that is:

-  **Affordable**
-  **Reliable**
-  **Good for the local economy**
-  **Good for our environment**

A recent community survey showed 94% of people want more Council action on climate change. It is clear there is both grassroots demand for government action, and a strong business case for faster uptake of clean energy.

With community energy, we can empower our whole community to transition to a clean energy future – not just those who own their home and can afford rooftop solar.

What are we proposing to do?



Lower the cost of living

Using our collective buying power, we can negotiate a cheaper deal on clean energy for all



Power our local economy

A portion of each bill will be paid back to our Foundation, keeping money in the region



Energise our community

The Foundation will help our community reduce consumption and generate, share and store energy locally

We propose to establish an independent Community Energy Foundation that will act on our region's behalf to drive renewable energy uptake, lower the cost of living, and deliver energy advice to our community.

The role of the Foundation will be to:

- » Attract regional customers and negotiate collectively for competitive pricing from a clean energy retailer.
- » Become a self-funding social enterprise, by agreeing with the retailer to return a dividend to the Foundation, and by attracting other funding partners.
- » Reinvest income back into the region, with services and projects that help our communities use energy more efficiently.

Councils can be energy leaders for our communities.

As energy prices continue to rise, communities and Councils around Australia are looking to community energy as a means of cutting living costs while taking climate action.

But in the rapidly evolving energy sector, a clear path is not always visible. It can take significant investment to establish a working model that complies with market regulations and minimises exposure to financial, legal and governance risks.

If successfully delivered, our innovative regional energy procurement model could provide that clear path – and be rapidly and economically replicated across the entire local government sector.

We are exploring this initiative because Councils and our communities have a stake in the economic and environmental outcomes of energy transition.

We are proposing that an independent, not-for-profit Community Energy Foundation is established, underpinned with Council support for the first five years. This would allow for successful transition from a Council-initiated project to a financially self-sufficient, community-led initiative, while ensuring regulatory compliance and protecting Council investment.

We have achieved a lot already.

We have:

- » Secured a partnership with RDA Adelaide Hills, Fleurieu and Kangaroo Island, jointly investing \$24,000 in a detailed program design report and associated community consultation.
- » Secured \$45,000 of Local Government R&D Scheme funding to resolve how Councils can procure innovative energy services while minimising exposure to financial, legal and governance risks.
- » Designed a preferred model, with advice from community energy experts Moreland Energy Foundation and Tandem Energy, and from LGASA's preferred legal services provider HWL Ebsworth.
- » Engaged with, and factored in feedback from, our communities, Elected Members (prior to the last election), and Southern & Hills LGA.

We have proven leadership credentials in community energy.

In 2009, the three councils of Victor Harbor, Alexandrina and Yankalilla initiated the first solar bulk buy scheme in South Australia, unlocking access to affordable and vetted solar systems for thousands of local residents.

The scheme attracted \$8 million in Federal rebates to the region, delivered annual ratepayer energy savings in the millions of dollars, and was adopted by the LGA SA and rolled out across South Australia.

Our plan of engagement.

Over the coming 24 months, we will undertake staged engagement with you and with our communities to test the preferred model and seek support to implement it:

