

CORRECTED VERSION

ECONOMIC, EDUCATION, JOBS AND SKILLS COMMITTEE

Inquiry into community energy projects

Traralgon — 6 March 2017

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Mr Peter Crisp

Mrs Christine Fyffe

Mr Cesar Melhem

Mr Don Nardella

Witness

Ms Deirdre Griepsma, Manager Sustainability and
Councillor Michael Whelan, Bass Coast Shire Council.

The CHAIR — Well good afternoon and welcome. Let me introduce the Committee members first. I've got Cesar Melhem, Peter Crisp, myself and Don will be with us shortly. Welcome to the public hearing for the Economic, Education, Jobs and Skills Committee Inquiry into community energy projects. All evidence taken at this hearing is protected by parliamentary privilege. Any comments you make outside the hearing are not afforded such privilege. Hansard is recording today's proceedings. We will provide a proof version of the Hansard transcript so you can correct any typographical errors. Please state your name before you start and then give us some time to ask you some questions.

Mr WHELAN — Okay thanks. Thanks for having us here today. I'm Michael Whelan, I'm a counsellor with Bass Coast Shire and my role today is really riding shotgun with Deirdre who, to lend support, the support of the council to the work that the officers have done over the last few years.

Ms GRIEPSMA — Thank you. My name is Deirdre Griepsma, I'm the Manager of Sustainable Environment at Bass Coast Shire Council. I have a short statement I'll read.

The CHAIR — Yes, go ahead.

Ms GRIEPSMA — So thank you for inviting Bass Coast Shire Council to give further information and to answer the questions of the Committee in addition to our written submission. Bass Coast Shire Council is here today as it believes there is a role for communities in the Victorian energy economy and recognises there could be many benefits to Victoria by diversifying the energy sector. Community ownership is critical to the long-term growth, success, sustainability of this sector as it brings resources and choice thereby empowering individuals and communities.

Within Southern Gippsland there is already an active community investment in establishing and progressing community energy projects. Council is a member of ComMET which is Communities Making Energy Together, the community energy roundtable which brings together likeminded organisations, corporations, local governments and individuals supporting the development of community energy projects.

The collaborative partnership within the ComMET roundtable, together with the auspice partnership with the Energy Innovation Co-operative provides strong evidence that cooperatives play an integral role in assisting, engaging in and delivering real community ownership in community energy.

Community cooperatives provide the legal entity and the mechanism for the community to independently administer projects. Whilst the terms of reference of this committee include the investigation into community energy within metropolitan areas, it should also be recognised that regional areas also face challenges in the community-owned energy space.

Some issues are not dissimilar to metropolitan areas when it comes to how to support communities to overcome challenges to community-owned energy. However regional communities face additional and different challenges as described in our submission.

The key messages that we wanted to get across today were that community energy projects diversify the energy sector. Community energy projects are already happening in Southern Gippsland and the role of community cooperatives is imperative to community energy and the challenges in this space are not just urban, they are regional and rural. So thank you once again for the opportunity to speak to our submission and advocate for our community.

The CHAIR — You're welcome, thank you for that. Can you give us some examples of community energy projects operating or being developed in the Bass Coast Shire please?

Ms GRIEPSMA — Yes, in the Southern Gippsland area the community energy projects that are currently in formation or underway include the Bass Recreational Reserve where there is a mid-scale solar PV system which is supported by ComMET, the organisation I mentioned before. Foster Pool and

Community House has two solar PV systems. Strzelecki Ranges Wind Feasibility Study, which is supported by the Mirboo North Community Energy Hub is also in its development. And there is a submission at the moment for a grant for a project around old energy to new energy which is an 86 kilowatt solar PV system on the Wonthaggi coal mine, which the Energy Innovation Co-operative and Parks Victoria are supporting. There is a little irony going—putting solar on an old coal mine building as well. It's that nice transition from an older style of energy to a new.

Mr CRISP — I'd like to hear a little more about the ComMET roundtable and what are some of the achievements that have come out of ComMET.

Ms GRIEPSMA — Yes.

Mr CRISP — What is the roundtable hoping to achieve in the future?

Ms GRIEPSMA — So the roundtable was formed in 2014 through a resolution of council to do some workshops with the community, because there was a social licence around getting community energy up and happening in the community. So council is an equal member of the roundtable and the roundtable is made up of the two local governments, Westernport Water and two community cooperatives, the Energy Innovation Co-operative and the Mirboo North Energy Hub and a number of individuals as well.

So the roundtable operates to provide information, assistance and support to community groups wanting to develop community energy projects. It's a pool of resources and expertise that provide a resource and support to groups or organisations that need to or want to understand how they take an idea through from a concept through to something that might be feasible and can actually happen as well.

One of the challenges for community groups that come up with projects around energy is that there is not one viable model out there that can be used to understand whether the concept is reasonable, whether it's feasible, what the cost benefit analysis is, what legal hurdles they might have to come across as well. So ComMET helps groups with this. It's relatively new in its formation still and it's gone through its governance model and it's now auspiced by the Energy Innovation Co-operative which is a really important step.

That allowed ComMET to actually focus on projects and doing rather than understanding how it would need to be incorporated and the legalities that would go with that. So into the future it intends to keep working with the community in understanding and helping them, facilitating and to actually get projects up and working. And help them pick through the regulation and the bureaucracy that comes with community groups trying to do projects as well.

Mr CRISP — Can I use the 86 kilowatt proposal to talk through that? It's a proposal I presume?

Ms GRIEPSMA — Yes, it is.

Mr CRISP — With all those things that ComMET have been able to supply to support it, how is that project going to be funded and where is the energy going?

Ms GRIEPSMA — There is an application at the moment and to the State Government for a grant. And the name of that grant escapes me at the moment.

Mr CRISP — That's okay.

Ms GRIEPSMA — And that's supported as I said by Parks Vic and the Energy Innovation Co-operative. The power that would come from that solar system would then generate the activities of the mine and the café that's associated with that, which is a community—

Mr CRISP — The power is used behind the meter?

Ms GRIEPSMA — Yes, that's the right terminology. Yes, it is and within—I'm not sure if anybody's done a tour of the Wonthaggi coal mine, it's an underground mine and involves a lot of pumping of water still and lighting within that system. So there is actually a draw and because it's a community run facility now, obviously savings through, cost savings that come about obviously help with running that facility.

Mr CRISP — Thank you.

Mr MELHEM — Council, what sort of, what potentially are you going to see the council to, some sort of partnership arrangement with various committees? I know you've touched on that. But is there sort of any other, going forward what plans has the council got in place to sort of start partnering more and more with communities and developing community energy renewable projects?

Ms GRIEPSMA — Yes, council currently sees its role very much in the advocacy space at this point in time. Like all Victorian councils, we're currently grappling with budgets and understanding how we continue our current services before getting further into the community energy area, particularly partnering with a financial contribution, that's a new service to council and at this point in time we're actually looking at focusing on our existing services.

But council's role is again very much in loaning credibility to organisations such as ComMET and sitting as an equal member. We did provide some seed funding through some of the community grants that council has available to organisations such as ComMET, to then, for them to be able to leverage further funding off that.

I think one of the important points here is that council see community energy projects very much as being a bottom up driven area and that it needs that social licence to make it successful in our communities. For people to individually invest as well into the projects. ComMET and the Energy Innovation Co-operative have looked at some funding models where they could also look at things like crowdfunding, but also where people could invest and then receive some sort of dividend out of that project once it's up and running.

There is a number of different ways that they could look at that. But council doesn't see its role as actually partnering in any major way with the community energy projects at this point in time. Our role is one of facilitation.

Mr MELHEM — So based on that experience, what role do you reckon the State Government is going to play and sort of encourage - to encourage this sort of community to sort of pick off and have a successful community renewable energy project? And from your experience and from your council point of view how do you see the role of the State Government?

Ms GRIEPSMA — I'm going to refer to my notes because I have little bit written here about it.

Mr MELHEM — No, no, please do.

Ms GRIEPSMA — It's within the State Government's remit to support community energy projects within Victoria in a way that might be similar to say the New South Wales power agency. Where an agency could be created to provide that support to the community energy sector both in the metro and regional areas.

And I understand that in New South Wales the government has legislated that a percentage of renewables actually comes from community energy. That's something the Victorian Government could look at as well, which then gives a driver to a number of these projects and sets I guess an authorising environment to go ahead. And that then could then roll out into some strategies moving forward as well.

Mr WHELAN — And I'd go off script on that one.

Mr MELHEM — Do you have a script?

Mr WHELAN — Not really but I'm going to wing it. Bottom line there's no substitute for money and the amount of money that the shire would put in is going to be fairly small but you know through the community grants we do see a role there and we can see that the community can often spend that money better than if we were to administer it directly. We do that across a whole range of projects.

But the state obviously is seen as being a very important funder through RDV and other departments. The other way I think that really the state can help and council can help is the hands on help as well, the expertise. If you're involved in projects across the state you can bring people together, so it's that facilitation role I think which is also particularly important. I think we can both play that.

Mr MELHEM — So it's sort of facilitation as far as helping and drafting from a constitution, finance, where to look for assistance. They are the type of things you're saying the state and local government can—

Mr WHELAN — And expertise.

Mr MELHEM — Yes.

Mr WHELAN — Bringing the technical expertise into play, even making that technical—I'm finding it hard to say technical expertise for some reason—but even making that available and that could be a way instead of cash funding, you know funding in kind with resources and things like that, so I think there's a role for that. As you build expertise across the state then the ability to bring that into other areas as well and cut out a lot of that early days you're crawling before you can walk sort of stage of the project.

Ms GRIEPSMA — There is another function that the State Government could play, in community awareness. We already have a national peak for community energy, the Coalition for Community Energy, but even with people who have a passion around community energy it's not well known. So there is a number of supporting organisations resources available but again they're not particularly well known.

The State Government do actually have a guide to community owned renewable energy for Victorians which is good, has a lot of really good information but again it's something that people don't necessarily know about at times. That's where often a group may come to ComMET with an idea but they're not aware that this document exists. So that's part of that function of ComMET. But I think the State Government could help through some facilitation and again awareness.

Mr MELHEM — One stop shop to basically—

Ms GRIEPSMA — Yes, and as a peak body as I said it's still relatively unknown. There is no, there's not necessarily the need to create another peak body, it's just making sure that the one that is there is supported and I guess fulfilling that function for the State Government as well as the community.

The CHAIR — Don't?

Mr NARDELLA — You said that you're not looking at partnering with any other organisations. But surely there would be a number of council buildings, swimming pools, facilities where by partnering with organisations, so that actually save your ratepayers money in terms of putting in place some of these renewable projects. Are you doing that at all?

Ms GRIEPSMA — Yes, at the moment we're looking at what council buildings in particular are available that for instance would be suitable for solar panel installations and how that space could then be made available for a community energy project. One of the challenges of rural and regional areas in comparison to the metro area is the distribution of buildings is generally a little wider in geographic

area, but also we don't have the volume either.

It doesn't mean it's impossible by any means but it's certainly one of the challenges that regional areas and councils face. But that's certainly an area that yes, we've been looking at, understanding our roof space and what we could make available. Then we'd need to understand how we would go about that, what's the demand out there in a community energy project. Hopefully it might be a competitive space and we have people who are interested in utilising that area.

But again we'd be looking at that being driven by the community as well and we do have two active groups within the Southern Gippsland area. Again it's about those groups developing to some maturity to get to the stage of doing the projects.

Mr NARDELLA — But sometimes that maturity needs a bit of a leg up. By actually doing projects on behalf of, because we've been to a number of places where you get a number of properties or a number of companies, partnerships whatever, where they will fund some of that work so there is a return to the organisation but there is also a return to the organisation that has a roof space as well. So that's what I'm saying, that these things aren't mutually exclusive in terms of helping each other really.

Ms GRIEPSMA — Yes and look it's certainly something that's on the table. We just haven't got to that point yet.

Mr NARDELLA — And for Michael it might save a bit of ratepayers money.

Ms GRIEPSMA — It's always a good thing.

Mr WHELAN — We'll spend it elsewhere.

Mr NARDELLA — That's right, absolutely.

The CHAIR — Your submission mentioned the number of farmers involved in community energy projects should be increased. How could this be achieved?

Ms GRIEPSMA — We feel that that's a role that Landcare can help us with in some respects. In Bass Coast there is a Bass Coast Landcare network which helps facilitate a number of projects. But again funding is something that would be required to do that. Some of that is also knowledge and the information that's available to people to understand community energy as well. I think it can be quite a confusing space at times.

Some of the language and the information is not always easy to understand. I'm just looking for the reference in our submission. I guess if you're not looking at necessarily solar projects, if you're also looking at other forms of community energy where agricultural land can be utilised, wind turbines is an area that's happened before. That's an area where farming can become more involved.

Mr CRISP — Perhaps the last one to touch on would be energy efficiency programs that are delivered by council. Have you been involved in that?

Ms GRIEPSMA — Yes. One of, along with a number of councils we have done projects generally focusing on our corporate emissions and reductions to our gas, electricity and water costs as well, that benefit going through to the ratepayers. And we've been involved in street lighting projects, also building efficiency projects.

Our newer buildings obviously incorporate a higher level of energy efficiency into them as well. There is some retrofitting that's still required to some of council's older buildings, so that has been a focus. Bass Coast Shire has also focused on its corporate risk around the way that it looks at climate change in its business as well which, that's now recognised as a risk. So there is certainly the energy efficiencies come into those as well.

Mr CRISP — Thank you.

Mr MELHEM — Your submission talks about the promotion about partnership between communities and commercial enterprises for larger energy project. Can you specifically talk to us about what successful sort of things or examples of partnership that you would like us to see replicated in your shire?

Ms GRIEPSMA — Not that I have any intimate knowledge about, but there has certainly been some success around some of the work that has been done in the Hepburn area, that's probably one of the better known projects. But look there's nothing that comes to mind immediately for myself. I'm not necessarily the subject matter expert in this area. So there would be other examples out there.

Mr MELHEM — I mean you'll have Hazelwood turbine for example next to the desal plant and they're owned by AGL, so they're not a community based, so you would like to sort of see wind turbine for example or large solar sort of community owned that's, instead of just owned by large producers or retailers?

Ms GRIEPSMA — Certainly that's something that as a model moving forward would be good to see that partnering of the business with the community. Again one of the challenges of rural and regional communities compared to metros is that we don't necessarily have those big businesses, certainly in the Bass Coast area either that have the ability. The desal is probably one of the larger private industries in the area.

On our horizon we see the Bald Hills wind farm, that's all private as well so we haven't necessarily seen—the Wonthaggi, there's five turbines that are in Wonthaggi as well. But it would be certainly I think welcomed by the community and the people who are passionate in a community energy space to have that private sector input and partnership.

Mr WHELAN — Can I add something just in the broader context? It's not specifically about a community project for energy. But we have recently adopted a visitor economy strategy which is another fancy term for a tourism strategy for Phillip Island and San Remo. And one of the key aspects of that is to recognise that the environment drives the economy of Phillip Island. In other words we really need a sustainable model. Now it hasn't developed into energy as such, although in some ways it is. But we're actually going for a global accreditation which is a global sustainable tourism model and looking at getting accreditation for all of the businesses.

Now part of that is really how we look at how we do business and the nature park, I shouldn't speak on their behalf and I don't pretend to, but you know with the new building that's going out there for the penguins, they're looking to make that you know absolutely self-sustainable and also with a really strong renewable energy component to the point of probably having a farm off to the side because they can't get, haven't got enough room on the roof. So that's the sort of approach we're looking at.

There has been talk of this sort of approach, the community approach on Phillip Island but embryonic stages and we would hope that through this other sort of process that it does focus us on that sustainable business approach, recognising ecotourism sort of role and that down track we would look at having something that was able to provide you know make us sustainable and not so much independent because you need to have some sort of, it's handy to have the backup of the grid. But down track we would be looking at that, that will lead us in those sorts of directions.

Mr MELHEM — So you're saying again save the environment and make money?

Mr WHELAN — Well that's—I look at it slightly differently. I look at it as how can we save the environment you're better off to go in a proactive way towards doing that so the ecotourism model sort of fits that very well.

Mr MELHEM — Yes.

Mr WHELAN — And it also—part of that is controlling development, containing development on the island which is fundamentally important to the nature of the tourism interest in the island. The tourists basically pay for the environment conservation work on the island. The penguins do I should say.

Mr MELHEM — They look after them.

Mr WHELAN — That's right.

Ms GRIEPSMA — That means there's a consistency of message too. People come down to the area and they see that there's, and the nature parks is a great example. It's not a commercial enterprise inasmuch as it - you know it's essentially not for profit. But it has a brand and a reputation that can leverage off these sorts of things and council is a big supporter of the Phillip Island Nature Parks.

The CHAIR — Thank you. If there's no further questions on behalf of the Committee I'd like to thank you for your time and your evidence. Thank you very much.

Mr WHELAN — Thank you.

Ms GRIEPSMA — Thank you.

Witness withdrew