The City of Darebin welcomes the opportunity to make a submission to the inquiry into the Approvals Process for Renewable Energy in Victoria.

Darebin is strongly in favour of renewable energy and we welcome this review to help streamline approvals processes. We believe that supporting Australia’s renewable energy industry through a significant renewable energy target and through a viable and well promoted GreenPower program are important priorities for moving to a low carbon economy. We also believe that renewable energy, cogeneration and energy from waste offer a range of additional benefits:

- enhanced power security through decentralisation
- enhanced efficiency through reduction in transmission losses and capture of waste heat
- creation and support of green jobs
- creation of valuable outputs from the waste stream
- mitigation of the rising costs of energy

Darebin Council has been active in promoting accredited GreenPower and small scale renewables (micro-generation units), and scoping of cogeneration and alternative waste treatments at the local level via a wide range of initiatives including:

- purchase of 4300MWh/year of 100% GreenPower for all 78 of Council's owned and operated facilities. This action is widely promoted to the community via media releases, Council newsletters and plaques in public buildings.
- The Community Power program - a partnership program with the Moreland Energy Foundation, Moreland and Whitehorse City Councils and Origin which actively encourages residents and businesses to purchase GreenPower. Community Power was established in 2002 by Darebin Council in response to a suggestion from a local community group and was the first program of its kind in Australia.
- a Darebin Solar forum held in June 2008 which was attended by almost 200 residents and informed Darebin’s submission to the Solar Panel Senate Inquiry.
- participation in the Solar Panel Offer for Residents via an expression of interest process run by Manningham City Council. More than 150 Darebin households are participating in the program to purchase solar panels.
- cogeneration feasibility studies for the Northcote Aquatic and Recreation Centre and the Preston Civic Centre redevelopment.
- active membership and participation in the Northern Alliance for Greenhouse Action including the cogeneration working group and the draft Towards Zero Net Emissions strategy which will scope cogeneration opportunities for industrial estates
- active membership and participation in the Metropolitan Waste Management Group which is scoping alternative waste technologies including the production of energy from waste.

As strong supporters of renewable energy via GreenPower and micro-generation, cogeneration and alternative waste technologies we bring the following issues and recommendations to the inquiries attention:
1) Cogeneration.

Many local governments are interested in supporting cogeneration and many have or are undertaking investigations in this area. While the technology promises significant greenhouse and cost benefits there are a range of complex technical and approvals barriers and pitfalls that are extremely difficult to navigate. This is reflected in the lack of newly commissioned cogeneration plants by Victorian Local Government (unlike some other states) and the decommissioning of some older plant that was supported and commissioned in the days of the Gas and Fuel Corporation.

Darebin has long been calling for guidelines supported by a series of template documents to assist local government to avoid these pitfalls and to adequately plan and scope cogeneration opportunities. Templates of briefs for preliminary feasibility studies and detailed feasibility studies are required to ensure that all of the relevant information is adequately scoped.

These guidelines are yet to materialise and Sustainability Victoria currently prioritises support for a small number of leading edge projects, the details of which are often commercial in confidence preventing the spread of knowledge and progress in this area.

### Cogeneration issues for consideration:

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<th>Issue</th>
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<td>Complexity of the issue and the need to have many technical and regulatory issues effectively scoped in the initial planning stages of preliminary and detailed feasibility studies to adequately estimate costs and avoid pitfalls.</td>
<td>Sustainability Victoria to prepare guidelines and templates on how to effectively scope, install and maintain cogeneration for use by all Local Governments and other organisations.</td>
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<td>Connection studies are generally required by Distribution Businesses (DBs) even where grid export is not proposed - to assess impacts on supply if the cogeneration plant is offline. Different DBs have different approval requirements and are known to take different approaches to cogeneration. These issues can be exacerbated in areas on DB boundaries where more than one substation may be affected by the proposal.</td>
<td>Regulation and standardisation of connection study requirements across all DBs for cogeneration plant of specific capacity etc.</td>
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<td>There are regulatory barriers in the sharing of power to other businesses and even tenancies. This may be problematic if Council sublets a site and supplies power to that site.</td>
<td>Regulations and guidelines to enable and encourage the sharing of power to tenants and other parties to facilitate embedded generation and economies of scale.</td>
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<td>For cogeneration plants exporting to the grid, power buy back needs to be negotiated via the Distribution Business and the retailer in question. Low purchase prices (or coupling buy back rates) for exported energy via cogeneration.</td>
<td>Standards or guidelines for buy back rates (coupled with fair and reasonable sale rates) for exported energy via cogeneration.</td>
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back prices with higher energy tariffs for purchased energy) can leave the installers at the mercy of private companies with little interest in promoting embedded energy.

2) Small Scale Renewables

Council acknowledges and supports the need for large scale renewable energy generation as this is the most cost effective way to produce renewable energy. As per above we actively promote GreenPower as one of the most cost effective and flexible options for investing in renewable energy. We commend the review of approvals processes to improve and streamline processes. We make no direct recommendations in relation to approvals for large scale renewables in this submission as it is outside our experience as an urban municipality.

We also acknowledge and support the role of small scale renewables in contributing to our energy needs. There is a high level of interest in the Darebin community in small scale renewables and enhancing this local capacity to a ‘Woking style’ approach to localised energy production.

Issues affecting enhanced uptake of small scale renewables:

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<td>Lack of a gross feed in tariff</td>
<td>Darebin strongly supports the introduction of a gross feed in tariff for microgeneration to encourage higher levels of installation as has been demonstrated in Germany and elsewhere.</td>
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<td>Removal of the Federal Government Rebate and replacement with RECs multiplier</td>
<td>This is a perverse incentive as it effectively reduces the total renewable energy produced under the Mandatory Renewable Energy Target. The RECs proposal is less financially attractive to most consumers and to date Darebin has been advising residents not to sell RECs as this relinquishes the residents’ ownership of the greenhouse gas emissions reductions.</td>
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<td>Metering through Distribution Businesses. The approved smart meters being implemented across Victoria do not allow residents to assess production and use of energy simultaneously. Approval for preferred meter installation needs to occur via Distribution Businesses and can be a time consuming and difficult task for householders.</td>
<td>Standards and guidelines around smart metering that allows residents to read production and use of energy for installation with microgeneration units and guidelines for installation and approval timelines for DBs.</td>
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<td>Capacity to buy GreenPower. Most retailers do not offer GreenPower in addition to an energy plan offering the solar feed in tariff. This is perverse as most residents who install photovoltaics want to purchase GreenPower for their remaining energy use. This is a classic example of the market NOT being responsive to the energy needs of Victorians.</td>
<td>Requirement for fair and reasonable Energy Plans from retailers including solar feed in tariffs that include GreenPower options. Clear information and education made available to consumers re their set up requirements and options.</td>
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<td>The existing Standard Solar Feed in Tariff is</td>
<td>Enhanced regulation on purchase price of</td>
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<td>Often combined in Energy Plans from retailers with higher energy purchase prices. This can effectively negate the benefits of setting a standard feed in tariff.</td>
<td>Energy under Energy Plans for feed in tariffs is required.</td>
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<td>There are currently significant regulatory barriers for Councils that would be interested in pursuing ‘Woking style’ approaches to investing in small scale microgeneration and then making this energy available to residents or businesses, or brokering the purchase and redistribution of energy generated locally. Currently electricity retail licences requirements and use of existing distribution networks are significant barriers. The establishment of an independent distribution network is cost prohibitive.</td>
<td>Investigation and development of regulations and guidelines that are specific to local level redistribution of energy (as opposed to full retail licences). Investigation and development of regulations that enable use of the existing distribution network in a cost effective manner to enable local level energy sharing.</td>
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### 3) Alternative Waste Technologies

The Victorian Advanced Resource Recovery Initiative (VARRI) is a State Government funded initiative focussed on scoping and preparing business cases and procurement for two initial new alternative waste technology (AWT) facilities for Melbourne.

VARRI will consider a variety of waste and resource recovery technologies and processes to inform its business case development, and will drive the establishment of AWT facilities for metropolitan Melbourne, with 2010 as the goal for facility development.¹

The development of new “high tech” waste facilities for organic waste processing is expected to create new products for sale (eg: compost), decrease methane emissions and produce ‘renewable’ energy.

The recently released Metropolitan Waste and Resource Recovery Strategic Plan (Metroplan) identifies the potential establishment of up to eight new resource recovery facilities for municipal solid waste across metropolitan Melbourne which will have further significant impact on decreasing methane emissions from waste².

To date, VARRI is running slightly behind schedule. **To limit obstacles, reduce risk and minimise delays, Government must assist industry by working together closely to progress the Victorian Advanced Resource Recovery Initiative (VARRI).**

**Government/industry coordination is particularly required in planning and development stages of establishing AWT facilities. This includes focussing on infrastructure needs, distribution and (where applicable) markets for end products.**

Resource recovery technologies will continue to evolve. With new AWT facility development and the potential for uptake of newly evolving technologies, decreasing commonalities with current waste management processing activities are expected.

**For Victoria to attract and sustain AWT facility growth and development, investment must be encouraged by ensuring planning frameworks do not limit this potential. Siting arrangement flexibility – particularly with regard to product source, is critical. Metropolitan Melbourne local governments need planning frameworks which enable and encourage new AWT facilities to be located within appropriate distances from local councils.**
While new AWT facilities will offer energy from waste opportunities, these gains will be diminished if large distances are travelled to reach them - the total carbon footprint is important.

Additionally, metropolitan Melbourne local government support for facilities sited in geographically distant locations will be limited. Limited support at a local government level will restrict the usefulness of AWT facilities to process municipal waste and will have strong implications for the potential investment opportunities in Victorian AWT facilities to create renewable energy or product.

The current Review of Waste Transfer and Recycling Facility Provisions in Planning Schemes recommends that thresholds under Clause 52.10 of the Victorian Planning Provisions (VPPs) be amended to be in line with the EPA buffer distances and importantly take into consideration current and future advancements in waste processing technologies when determining these thresholds (eg: in vessel).

This Review is as yet incomplete, however to encourage investment in renewable energy production in AWTs now and into the future, requires certainty around these issues.

In liaison with the Metropolitan Waste Management Group, the western and northern Melbourne Councils are currently undertaking investigations into appropriate organic waste management solutions for organic green and food waste contracts. Diverse options presented for organic processing, offer a wide range of carbon emission outcomes. The potential for renewable energy production from waste, sits firmly within these considerations but indicative figures indicate a >100% cost range increase above options which do not create energy.

Keeping within the Terms of Reference of this Review, the above is not an opportunity to decrease risk and delays, but it may link with the future drivers of renewable energy production in Victoria – particularly advancing AWTs under a CPRS scenario – and further may influence investment in AWTs waste to energy creation.

Considering the potential for renewable energy production from landfill, methane collected from landfills to generate energy raises a number of associated issues. Firstly, the landfill emissions generated and captured are intrinsically dependent upon the long term methane recovery potential.

Whilst short term recovery goals can be fulfilled, as the State Government targets of the Metroplan and Towards Zero Waste Strategy are achieved, less organic, methane generating material will be sent to landfill – directly impacting upon the methane recovery potential of such sites. Investment in infrastructure at these locations to capture methane and generate energy is intrinsically linked to such strategic directions at a State Government level.

At present, there is a paucity of reliable data available to estimate the “typical” rates of methane recovery at landfill and extrapolate the energy generating potential of landfills from this. Whilst such methane-to-energy activities are highly desirable, there are strong investment implications surrounding this uncertainty for landfills.

Notwithstanding the above, the potential to capture methane and generate energy at landfills should be harnessed where available. Opportunistically this will offset some of the landfill costs anticipated with the eventual introduction of the CPRS. This may be good news for local government who currently bear the brunt of associated cost burdens via landfill gate fees.
A concrete, potential streamlining activity may be to ensure planning “Fast Tracking” for landfill planning applications which have renewable energy creation outcomes. Whilst this is occurring at some local governments for sustainability initiatives, it is by no means widespread. Fast tracking may streamline the process and accelerate development.

Finally interconnection to the grid has been and continues to be difficult. Not only time-consuming, coordinating grid interconnection is also not a straightforward process for landfill site power stations. Any steps that would alleviate some of these difficulties in this stage of the approvals process would assist methane from waste moving towards energy production at a more rapid pace.

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iv EPA Victoria, Recommended Buffer Distances for Industrial Residual Air Emissions (EPA Publication No. AQ2/86)