

Establish Community Powerhouses

Supporting households, communities and local businesses to lead on clean energy.

Australians love local renewables

Across Australia, well over 4 million people live under solar roofs and already over 80 innovative community energy groups have sprung up across the nation. There are thousands of Australians willing and able to get local renewable energy projects going in their communities, particularly in rural and regional areas. And we're not alone: in Germany, 47 per cent of all renewable energy capacity is owned by individuals and communities.

From helping spark the solar rooftop revolution through many successful bulk-buy programs, to creating plans to go 100% renewable and pioneering new collective ownership models of renewable energy, communities have and will continue to play an integral role in the clean energy revolution. Community energy projects bring with them a range of environmental, social, monetary, technical and political benefits.

Example of community energy enterprises include:

- Hepburn Wind, Australia's first renewable energy cooperative;
- Repower Shoalhaven, Australia's first community-owned solar project;
- Enova, Australia's first community energy retailer; and
- CORENA, which funds solar and energy efficiency upgrades for charities across Australia.

Communities leading where the market is failing

While renewable uptake is highest amongst low and middle-income households, there are some people and organisations who cannot currently access the benefits of renewables like rooftop solar PV. Access and affordability of renewables are issues for renters, apartment-dwellers, low-income households and homeowners without solar access or who have inappropriate roofs. These customer segments face a range of market barriers, such as split incentives and higher transaction costs.

Community energy groups across Australia are taking up the challenge and are at the leading edge of renewable energy business model innovation to

overcome these market failures. Examples include:

- Piloting community solar projects with social housing providers;
- Developing solar gardens (owning a few panels in a nearby shared solar facility instead of on your own roof) and pushing for a rule change with the AEMC that would make them possible; and
- Rates financing for low-income pensioners (see Box 17 for an example of this model developed by Darebin Council and Moreland Energy Foundation).

Why do we need Community Powerhouses?

While community energy groups have enthusiasm, time and commitment, they can lack the legal, technical and financial support needed to deliver these projects. This means communities are missing out on local jobs and opportunities to reduce power bills while cutting greenhouse gas emissions. Some people are missing out on the clean energy boom altogether.

Companies driven primarily by profit have few incentives to make clean energy more affordable for low-income households or to ensure that hard-to-reach customer segments can benefit from clean energy. We need not-for profits and social enterprises that have a duty of care to the vulnerable energy customers they are supporting. That's why we need Community Powerhouses.

Community Powerhouses would leverage the efforts of existing volunteers, willing contributions from the private sector and community enthusiasm for renewables, to support all Australians to access innovative and emerging energy technologies such as solar + battery storage.

They would unlock the organisational resources – including time, money, land/roof space of thousands (if not millions) of new actors in deploying renewables.

What are Community Powerhouses?

Community Powerhouses would draw from the best examples of local clean energy organisations springing up across the world. The program is modeled on funded volunteer coordination services provided through the

National Landcare Program (see Box 18). It would include 50 Community Powerhouses, supporting hundreds if not thousands of volunteer groups, supported by a Community Powerhouse Fund and Network.

Community Powerhouses would provide legal and technical expertise and start-up funding to help kick-start DIY clean energy projects in towns and suburbs across Australia. Projects eligible for funding in communities across Australia could include:

- 'Solar gardens' for renters;
- Farmer bioenergy hubs;
- Low-income energy efficiency (including retrofits of existing social housing stock);
- Solar programs using innovative finance like council rates programs;
- Community wind farms;
- Local clean energy fair days and open days and more;

Imagine if there were clean energy organisations across Australia at the scale of Landcare with the energy skills of MEFL. With an investment of \$149 million in federal funding over the forward

estimates period (a total of \$460 million dollars over 10 years),²⁴⁵ 50 Community Powerhouses would help ensure that all Australians, no matter how much they earn or where they live, are able to take control of their power bills and access affordable, clean and renewable electricity.

Modeling undertaken by Marsden Jacobs and Associates found that, given time, community energy projects could leverage \$17 of community funding for every \$1 of government funding.²⁴⁶

Community clean energy - the new frontier

Clean energy is the new frontier, not only for local environmental conservation but also economic development and community empowerment. It's popular: 63% of Australians would be more likely to vote for party with a policy to ensure solar is installed on every home that is suitable and on buildings like hospitals and schools. It's affordable: average installed solar PV prices have fallen 30% since 2012. It's spreading fast: 27% of the voting public now live under a solar roof. And it could spread even faster with just a little help from Community Powerhouses.

Box 17: Best practice community energy - Moreland Energy Foundation

There are many community energy enterprises implementing innovative community energy projects and programs, but Moreland Energy Foundation is the longest running and a model many communities are trying to emulate.

Moreland Energy Foundation (MEFL) was founded as an independent non-profit in 2000 by Moreland Council with revenue from the forced privatisation of the council-owned Brunswick Electricity Supply Department. The Brunswick Electricity Supply Department pioneered a range of world-leading energy efficiency and clean energy programs in the 1980s and MEFL continues that legacy to this day. MEFL is Australia's leading organisation in the implementation of

clean energy programs that deliver real value to councils, communities, businesses and households, particularly low-income households.

For example, in partnership with Darebin Council and Energy Matters, MEFL implemented Australia's first residential rates-financing program for solar. The Darebin Solar Savers project installed solar on 300 low-income pensioners' roofs in Darebin (a suburb of North Melbourne). The participating households are better off from day one. They paid zero upfront for the solar and pay back the cost through their council rates over 10 years, with the additional rate payments coming to less than the savings on their electricity bills.

Table 5: How Community Powerhouses would work

Structured similarly to the National Landcare Program, the 10-year Community Powerhouse Program would work as follows:

Aim	To scale up the existing grassroots movement to increase local clean energy access, affordability and innovation.
Organisations	Establish 50 Community Powerhouses – not-for-profit organisations or social enterprises in 50 regions (urban, regional and remote locations) across Australia. ²⁴⁴ Start-up funding for 2 years and ongoing ⅓ matched operational funding. These Community Powerhouses would support many local volunteer community groups in their regions.
Programs and Funding	A Community Power Fund would provide funding for community clean energy organisations (both those with and without start-up funding) to: <ul style="list-style-type: none"> • Develop local renewable community plans • Develop, pilot and scale-up new models of community clean energy, that enable community members, renters, low-income Australians, farmers, small businesses and more to participate in and benefit from clean energy
Capacity Building Network	A Community Power Network would ensure that the models, business plans, implementation strategies developed are shared across the 50 Community Powerhouses, as well as more broadly to regions and communities that were not successful in receiving start-up funding. The Network would also be tasked with developing case-studies, running trainings and a bi-annual conference.
Making it easy: Deductible Gift Recipient Status	Add the provision of, information or education about, and the implementation of community clean energy projects to the Environmental Register criteria. Alternatively, create a new pathway under the ACNC for community clean energy groups to get tax-deductible status.

Box 18: Landcare in a nutshell

*“Landcare is a grassroots movement that harnesses individuals and groups to protect, restore and sustainably manage Australia’s natural environment and its productivity.”*²⁴²

Landcare is the brainchild of Rick Farley of the National Farmers Federation and Phillip Toyne of the Australian Conservation Foundation. It was formally established in 1989 when the Australian government with bipartisan support committed \$320 million to fund the National Landcare Program for a decade. Landcare continues to this day with over 6000 Landcare and Coastcare groups across Australia.

The current iteration of the National Landcare Programme provides three funding streams:

- Regional funding stream – this is investing “over \$450 million throughout Australia’s 56 natural

resource management (NRM) organisations over four years. This funding recognises the crucial role the 56 regional NRM organisations play in delivering NRM at a local and regional level.”²⁴³

- National funding – this funding is delivered directly by the Australian Government to support local implementation of priority programs such as Clean Up Australia, Whale and Dolphin protection and 20 million Trees
- Network and capacity building funding – funding is provided for strategic support that increases the capacity of Landcare Networks, including through information sharing programs and initiatives such as the Landcare Conference and the National Landcare Facilitator.

Box 19: Uralla, from the forefront of Landcare to the forefront of community clean energy

Inspired by the small town of Wildpoldsried in Germany that generates more than 300% of its energy needs from renewables, Uralla in the New England Region of NSW is the first town to create a blueprint to transition to 100% renewables. Uralla is the first pilot town for the Zero-Net Energy Town model. It is stepping up, creating a shared vision and now getting on with implementing a transition to 100% renewables. Uralla is leading the way and showing other communities how it can be done.

Uralla is no stranger to environmental leadership. In 1992, the early days of Landcare, Uralla hosted the inaugural National Treefest, now

a biannual event. This was a field day attended by 6000 people and organised by landcare groups.²⁴⁷

Uralla is just one of many communities that are leading the way and creating 100% renewable community plans. ‘Totally Renewable Yackandandah’ in North-East Victoria was established in 2014 and is working towards ‘energy sovereignty’ for Yackandandah by 2022. In 2015, Byron Bay Shire made a commitment to becoming Australia’s first zero-emissions community,²⁴⁸ which will involve transitioning to 100% renewable electricity.