

ALPA - submission to Environment and Energy Standing Committee

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Environment and Energy Standing Committee

[Parliamentary Enquiry](#) into an Australian Local Power Agency (ALPA)

To the committee,

I am delighted that you are considering the ALPA Bills and I am impressed with the [process](#) conducted by Helen Haines to bring the ambition of supporting Australian communities during a rapid energy transition to this point.

In my [Churchill Fellowship](#) travels of 2016 I visited over 40 communities and met with community energy advocates across the world. I am currently a PhD candidate investigating the role of microgrids in the future shape of our centralised electricity system. I volunteer with both the [Coalition for Community Energy](#) and [CORENA](#). Both those organisations are working on submissions and I have decided that it would be useful to share additional information and research from my personal perspective.

As an electrical engineer and former policy maker my interest spans:

- Effective sharing of roles and resources between governments, markets and communities
- Deliberative decision making by institutions which embraces innovative and transformative perspectives so that our energy system can change
- Engaging people in the energy transition and helping everyone learn about new ways of delivering and using energy

The proposed ALPA and its community power hubs sets up institutional infrastructure that can benefit Australian communities for the long term. When I travelled I found a number of similar community organisations and would like to share what I learnt through those visits and with subsequent work on a community power hub for six councils south of Adelaide.

The three organisations I would like to highlight are:

- [Efficiency Vermont](#), USA
- [Folkecentre for Renewable Energy](#), Denmark
- [Centre for Sustainable Energy](#), UK

Each of these organisations was over 20 years old. Over the years these organisations had helped Government deliver various energy efficiency and renewable energy policies. The choice of government to deliver policies through community organisations gives the organisation an income stream and allows community institutions to flourish. On top of a regular funding base, these organisations have oriented toward fulfilling community needs in the journey toward sustainable and renewable energy. If these organisations were government controlled, they would not have the freedom to advocate for greater action or the nimbleness to exploit market opportunities as they occur. These are important features of the Community Power Hubs model that you are considering.

I have not been involved in the original community power hubs proposal but I have been told they take inspiration from landcare and its success in community stewardship of local resources. This point is worth reflection by the committee. What community institutions do you think provide the best social infrastructure to support new community activities and learning? Community energy groups around Australia are starting the journey of becoming established organisations in their regions. They provide an important link for everyday citizens faced with a bewildering array of practical and political decisions about the energy system of the future.

Efficiency Vermont

Efficiency Vermont has long provided energy efficiency services to the electricity industry which is obligated to deliver targeted amounts of energy efficiency and renewable energy under state based electricity regulations. It has the flexibility to pursue social programs - delivering energy products to the households that need it most and to explore the rooftop solar opportunity as it emerges. The parent business, VEIC is considered the most successful and innovative energy efficiency NGO across the USA. It bids into the forward capacity market to fund programs on the guarantee of reduced future power station capacity. The successful bridging between commercial opportunities and government programs is part of its success and nationwide expansion.

Folkecenter for Renewable Energy

30 years ago the folkecenter was delivering education programs on wind energy to third world countries supported by Danish International Aid and industry development programs. The Folkecenter grew through the early 2000's as it delivered all sorts of programs funded by the Danish Government and the EU. At a very practical level the folkecenter has long provided a demonstration site for everything from local grid, wind, solar and biogas generation to high efficiency buildings and electric bikes/vehicles. The center continues its consulting practices and is active in policy making. Danish energy policy has always included community participants in ownership opportunities. The folkecenter advocates for more and insists that local energy should not be called community energy unless it delivers benefits to *everyone* in the community. The need for energy projects to deliver to a common good and a common purpose is fundamental.

Centre for Sustainable Energy

The Centre for Alternative Technology in Wales is famous as a practical showcase of alternative energy since the 70's. Its sister organisation - the Centre for Sustainable Energy(CSE) is for Bristol city based folk also trying to do practical projects. It is embedded in the energy landscape of Bristol and the wider UK, running programs, providing policy research and consultancy. The importance of principles, collaboration and fairness are on display. Despite the challenges of running an NGO where too often the things that get done relate to where you find the money, CSE has been able to chase windows of opportunity. When I visited rooftop solar did not yet make sense but small scale projects ~ 100kW on underused land were viable and encouraged by feed-in tariffs. The CSE was actively helping local groups find funding and bringing the expertise and projects together.

Key Features of overseas examples

1. Long lasting to become a substantial community asset/institution.

With growing numbers of community energy and climate action groups across Australia, the ALPA proposal offers a backbone organisation for each region that could provide practical support to all of these groups and help with regional collaboration.

2. Some consistent government funding for financial sustainability - usually to deliver services that governments value, eg energy efficiency, energy information, industry development.
3. Freedom to advocate, represent community interests and reflect experience-based learnings from the practice and innovation involved in delivering practical energy projects.
4. Flexibility and nimbleness to move fast when commercial opportunities, trials, grants etc become available.
5. Well connected to community and community benefits so best placed to help everyone learn about the energy transition, to test ideas and to hear from community groups and energy consumers.

An example for Australia

When I returned to Australia I was offered an opportunity to explore this type of community institution through the lens of six local governments who had limited means to establish a community power hub but wanted to explore the benefit to their region. You can read the [executive summary](#) and [original blog](#) for this work.

We [identified examples](#) of many of the following happening in Australia and around the world:

1. Community owned retailer
2. Organisation – Hills and Coasts Community Energy
3. Solar Bulk Buy
4. Removing barriers for those currently excluded from the market
5. Micro-grids
6. Community scale solar and wind
7. Energy security for emergency and other key community facilities
8. Energy Education
9. Energy Opportunities – Master planning, feasibility and analysis

10. Community Energy Action Planning
11. Climate Ready Homes
12. Low Income and Renewables for All Energy program
13. Regional Energy hubs for economic development
14. Business Energy Audits and solarisation
15. Energy Project Community Finance
16. Energy Project Innovation Lab

The community energy institution for the region didn't proceed and base-funding is one of the constraints to this work. The local governments involved did subsequent analysis on the legal risks and procurement obligations for themselves if supporting a Community Power Hub. The consultants (myself with Tandem Energy and Moreland Energy Foundation) recommended an organisation that operates at arms length from governments but is also well positioned to deliver what governments need, both in a service delivery and in a consulting capacity.

The relationship with energy businesses is also critical. I am intrigued by the model of community banks where Bendigo Bank offer much of the centralised technical support but allow half the value to be delivered by community owners and for the benefit of community. I believe, as our energy transition becomes more decentralised, the network businesses will need to build local consultative mechanisms and work more closely with local community energy groups. The concept of a large energy business providing backup for local community projects may be a sensible model to ensure continuity of supply if local organisations fail to sustain themselves.

Support for Community Energy internationally

Community energy is well supported by governments in a number of countries overseas, particularly Europe.

- EU energy law specifically recognises the importance of ensuring [communities are able to participate](#) in energy markets.
- Famously, much of the growth in the German renewable energy sector was [community owned](#) with utility ownership at 15% in 2017.
- Your counterparts in the UK, the Environmental Audit Committee have recently completed their own inquiry into removing the barriers to community energy.

The following resources are recommended to the committee:

International Renewable Energy Agency (IRENA):

[Stimulating investment in community energy: Broadening the ownership of renewables](#)

REScoop - representing 1900 European energy cooperatives

[Community Energy Toolbox](#)

My recommendations

1. Support the ALPA bills - these are a step in the right direction for building the community infrastructure that will be needed as our energy transition progresses.

2. Ensure that the implementation and funding of this legislation creates community-led organisations with the flexibility to apply government, market and community resources to local challenges because the energy transition will not be solved by one of these pillars alone.
3. Value the learning and deliberation that can occur at the local level with the appropriate community infrastructure in place. The energy transition needs experimentation and it needs to bring everyone along on the journey. Social practices and consumer decisions fundamentally define the energy services that the energy industry is trying to design so we cannot continue with such large divides between energy system designers and energy users.

Thank you for your attention to this important issue,

Heather Smith