

Yarra Ranges Council Submission to the Climate Change Authority

“Renewable Energy Target Review – Issues Paper”



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Introduction

Yarra Ranges Council is pleased to make a submission to the Climate Change Authority's "Renewable Energy Target Review – Issues Paper".

Yarra Ranges Council is located on Melbourne's eastern fringe, and covers an area of almost 2,500 square kilometres. It is the seventh largest local government area in Melbourne in terms of population size and largest in geographical area which encompasses 51% of the Yarra Catchment and headwaters of the Dandenong Catchment. Yarra Ranges can be described as an interface Council, home to over 55 suburbs, townships, and small communities in a mixture of rural and urban areas

Over the last 6 years, Yarra Ranges Council has been taking action on climate change through implementation of policy, strategy and program delivery. The Federal and State Government's legislative and policy setting has been an important determinant to what we can do to promote renewable energy use in our own organisation and across our community and business sectors.

Schemes that support our work include but are not limited to:

- The Renewable Energy Target
- National Greenhouse and Energy Reporting Act
- National Carbon Offset Standard
- National Carbon Price Legislation
- National Framework for Energy Efficiency
- Energy Efficiency Resource Plans
- Victorian Energy Efficiency Scheme
- Commercial and Residential Mandatory Disclosures
- Commercial and Residential Mandatory Building Performance Standards
- Victorian Climate Change Act

In 2012, we reviewed our own policy and strategy on climate change and developed a new course of action to mitigate and adapt to its impacts. This resulted in the development of our *Adapting to a Changing Climate and Energy Future*. This Plan is Council endorsed, and sets a target for the Council to achieve a 30% reduction in our corporate greenhouse gas emissions by 2020. It also includes objectives around:

- Building resilience to climate change by investing in action that will minimise financial, social and environmental impact on Council's infrastructure and services;
- Reducing Council's exposure to peak oil risk by transitioning towards strategies that reduce reliance on oil (and other fossil fuels).

We would like the opportunity to provide the Authority with a local government perspective on the importance of the Federal Government's role in providing the right policy and legislative environment for action on climate change. This perspective pays particular regard to the following principles in the *Climate Change Authority Act 2011* that any measure to respond to climate change should:

- Be economically efficient
- Be environmentally effective
- Be in the public interest
- Take account of the impact on households, businesses, workers and communities

Yarra Ranges Council's Perspective

Our perspective pays attention to the following principles as outlined in the Climate Change Authority Act 2011:

- Be economically efficient
- Be environmentally effective
- Be in the public interest
- Take account of the impact on households, businesses, workers and communities

Similar to the Climate Change Authority, our principles are based around economic responsibility in terms of cost effectiveness but also consider Council's duty of care socially and environmentally in regard to increasing community and environmental health. Strategically our decisions, in order of hierarchy, are based around cost effective solutions to manage resource consumption, which are either to: Avoid, Reduce, Replace or Offset consumption of natural resources (coal fired electricity, gas, water and fossil fuels).

Our approach is ambitious requiring broader partnerships with other tiers of government as well as community and business sectors. For example, promoting decentralised energy supply generated and consumed in the Yarra Ranges will be one way Council can reduce its carbon footprint, but this will require joint partnerships with local industry and/or community partners.

A case of demonstration is a solar partnerships project currently being investigated by Yarra Ranges Council which is looking at ways Council can support the establishment of community energy cooperatives through the installation of medium scale solar of Council owned buildings and/or land. Hepburn Wind Community Farm in Daylesford, Victoria is a project of similar scale renown for its community cooperative approach to renewable energy generation.

Our recent work in reviewing our strategic approach and investigating opportunities highlighted above have influenced our decision to submit this submission to the Authority. Our discussion below attempts to communicate areas of which we, as a local government, are highly supportive of in terms of reforms.

Relationship between RET and Clean Energy Future

Yarra Ranges Council supports ways in which to improve the regulatory and economic environment for renewable energy investment. While schemes like RET play a key role in increasing the generation and consumption of renewable energy in Australia, it is important that it compliments other reforms such as the Carbon Price Package or Clean Energy Future.

One example is ensuring a complimentary relationship between LRET and Clean Energy Finance Corporation –funded projects both in terms of ensuring investments by CEFC do not affect a projects eligibility for large scale generation certificates, and consideration that additional cash injection (from CEFC) could warrant options to increase current targets beyond the 41,000 GWh target.

Our community partnership model is one example of a locally based project that would benefit from LRET and CEFC support.

Research and development programs

Yarra Ranges Council would also like to highlight the value of research and development programs, especially the provision of early stage grants and financing assistance for projects that strengthen investment and deployment renewable energy and energy efficient technologies.

Local government's become an important mechanism to deliver large scale projects through local or regionally based partnerships with business and community organisations. For example, in 2007, Yarra Ranges Council completed a regional renewable energy assessment to identify opportunities for renewable energy generation.

Valuable opportunities were found in hydro-power, landfill gas, bio-gas (waste) and biogas (waste water). These opportunities can only be realised through partnerships with regional water authorities and private landholders. Most of the opportunities in our region have one thing in common: that is, improved use of waste product i.e. food, refuse, sewage, animal waste, water pressure.

Schemes like LRET coupled with support from mechanisms like CEFC really help to get these types of projects up and running. In our case, our assessment found that if all opportunities were implemented the resulting energy yield would total 30,632 MWh/yr, equivalent to:

- Electricity requirements of over 5,600 households in Victoria
- Taking more than 7,600 cars off the road
- Planting over 62,000 trees

Energy efficiency schemes and regulations

Local Government is an effective mechanism to deliver Federal and State Government renewable energy and energy efficiency schemes – and the RET scheme is no exception.

Yarra Ranges Council is a member of the Eastern Alliance for Greenhouse Action. Our alliance is a consortium of local governments working at a regional scale on climate change mitigation and adaptation projects.

Through this alliance, we have increased capacity to develop regional projects at larger scale, and in partnership with community and industry. Examples include programs that link into Federal and State Government Schemes (i.e. RET, VEET) to provide a one stop shop for subsidised energy services to households that encourage them to take up renewable energy or improve their energy efficiency.

These alliances become a cost effective way of delivering federal and state government funded projects in a way that achieves better ‘economies of scale’.

Planning regulations

The authority rightly states that state planning regulations (i.e. Victorian Planning Provisions) may affect level of renewable energy generation, its mix and distribution of renewable power stations. Any review of legislation should take planning arrangements into account as part of the context for new renewable energy projects.

Currently the Victorian Planning Provisions do not make reference to objectives that promote generation of renewable energy for example imposing requirements on developments to meet certain standards in regard to energy or sustainability performance. Instead, planning amendments have shown to impose further red tape burdens on development of wind projects prohibiting construction in certain locations.

Acknowledging a gap in the system, Yarra Ranges Council is currently trying to influence environmentally sustainable development in the function of our own planning scheme through the endorsement of our own Environmentally Sustainable Development Policy. We are also preparing and consulting with state government on embedding this policy into our planning scheme, as a local planning policy.

This policy is voluntary, not regulated, and is based around our capacity to influence decisions through the planning scheme through dialogue that educates and raises awareness. To properly address these barriers, Yarra Ranges Council would like to highlight the importance of federal and state government’s support in leading reforms that assess the cost and benefit of regulating the level of renewable energy uptake in local communities through planning and building regulations.

Concluding Remarks

We believe reform in these areas will greatly support our capacity to deliver on our strategies, but more important support our local industry and community sectors shift towards renewable sources of energy generation and consumption. As a local government, we have great influence and capacity to do this, particularly in our role in:

- Managing our own assets and services
- Developing and brokering partnerships with other organisations
- Advocating for reforms in policy and laws
- Building community engagement and networks

If you would like any further information on this submission. I can be contacted on (03) 9294 6232.

Yours Sincerely

David Harper,

A handwritten signature in black ink, appearing to read 'David Harper', with a long, sweeping horizontal line extending to the right.

Manager – Environment