



**EAGA**  
EASTERN ALLIANCE FOR  
GREENHOUSE ACTION  
Maroondah City Council  
Braeside Ave  
Ringwood VIC 3134  
www.eaga.com.au  
03 9298 4250

Hon Lily D'Ambrosio MLA  
Minister for Energy and Resources  
C/- Department of Economic Development, Jobs, Transport and Resources  
GPO Box 4509  
Melbourne VIC 3001

By email: [renewable.energy@ecodev.vic.gov.au](mailto:renewable.energy@ecodev.vic.gov.au).

30<sup>th</sup> September 2015

Dear Minister D'Ambrosio,

**Re: Victoria's Renewable Energy Roadmap**

The Eastern Alliance for Greenhouse Action (EAGA) welcomes the opportunity to respond to the release of *Victoria's Renewable Energy Roadmap*.

EAGA is a formal Alliance of seven councils in Melbourne's East, including:

- City of Boroondara
- Knox City Council
- Maroondah City Council
- City of Monash
- City of Stonnington
- City of Whitehorse
- Yarra Ranges Council

EAGA is committed to delivering mitigation and adaptation projects and advocating for initiatives and policies that support sustainable, low carbon communities. We congratulate the State Government on the development of a comprehensive Roadmap and the work of Department of Economic Development, Jobs, Transport, Energy and Resources (DEDJTR) in proactively consulting with the Local Government sector on its development. We urge the State Government to consider the following responses to each priority area in the Roadmap in developing the *Renewable Energy Action Plan*:

***Transforming Victoria's generation stock towards renewable energy***

The State Government has a critical role in advocating for strong federal government policy on renewable energy. Alongside of a strengthened Renewable Energy Target (RET), advocacy should focus on addressing

the systemic issues within the national electricity market (NEM) which prevent national, state and local action to decarbonise the energy supply. Swift and effective energy market reform is necessary to catalyse investment by networks and the private sector in renewable and storage technologies that will support consumer access to clean, safe and affordable energy services. Through the Minister's role on the COAG Energy Council, the State should leverage its influence to:

- update the National Energy Market Object (NEO) to better reflect broader consumer interests, including explicit environmental (i.e. emission reductions) and social outcomes, as in comparable international jurisdictions
- establish a Consumer Advisory Committee for COAG Energy Council in consultation with Energy Consumer Australia (ECA)
- require consumer representatives to sign-off on rule changes and enhance formal representation of consumers in network determinations
- require energy market institutions build capability and capacity to ensure appropriate consideration of demand management and renewable technologies in regulatory processes
- ensure that the Australian Energy Regulator (AER) does not delay the implementation of the revised Demand Management Incentive Scheme (DMIS) until the 2020-24 regulatory period

The recommendations are described in greater detail in EAGA's response to the *Review of the Governance Arrangements for Australian Energy Markets (August 2015)*.<sup>1</sup>

We applaud the State Government for positioning Victoria to be a leader in renewable energy and support the development of a Victorian Renewable Energy Target (VRET). The setting of a VRET should recognise the high targets set by other states and territories, specifically the ACT Government's RET of 90% by 2020<sup>2</sup>, and South Australia's commitment to 50% by 2025<sup>3</sup>. Given Victoria's current energy mix, we recommend matching South Australia's target by establishing a VRET of 50% by 2025. To ensure the most efficient renewable energy generation is achieved, supporting mechanisms for achieving this target should employ a reverse auction framework, similar to the one employed by the ACT for large scale renewable projects. The VRET could also be met through facilitating rapid uptake of distributed generation through a range of policies and complimentary measures.

### ***Addressing barriers to distributed generation and storage***

The emergence of new business models has created new opportunities for Victorian businesses, however information gaps prevent businesses from investing in renewable energy solutions. This is particularly the case for SMEs, where the knowledge and capacity to evaluate the various finance options is a barrier to further uptake. To address this barrier, the quality of information on financing options needs to be improved and provided in a clear, understandable and neutral manner. We would welcome the provision of such information sources and would be happy to assist in their dissemination to business across the EAGA region should they become available.

EAGA welcomes the recent legislative amendment to extend the availability of Environmental Upgrade Agreements (EUA) across the state. EUAs can play an important role in facilitating the uptake of renewable

---

<sup>1</sup> <http://eaga.com.au/wp-content/uploads/EAGA-Letter-Governance-Review-for-AEM-2015-08-24.pdf>

<sup>2</sup> [http://www.environment.act.gov.au/energy/90\\_percent\\_renewable](http://www.environment.act.gov.au/energy/90_percent_renewable)

<sup>3</sup> <http://reneweconomy.com.au/2014/south-australia-sets-50-renewable-energy-target-for-2025-2020>

energy solutions, however, it is critical the councils are actively supported to offer such financing tools to businesses within their municipalities. Without support from the State Government, it is unlikely that councils will invest in and administer such schemes in an increasingly constrained (rate capped) financial framework. Importantly, the State Government can create economies of scale through supporting the Victoria-wide administration of scheme that is consistent across jurisdictions. This will be critical for unlocking the estimated \$4.5B of direct investment and 18,000 jobs (see EAGA's *EUA Finance for the Regions* report, 2013).<sup>4</sup>

### ***Encouraging household and community renewable energy***

Whilst the private sector has been successful in delivering solar on mass to Victorian households, governments still have a role to play in supporting access to solar in the instances where the market has failed, specifically vulnerable, low income and rental households. Importantly, councils are able to use rates charges to facilitate the uptake of solar PV within these segments of the community, as demonstrated by the Darebin Solar Savers program. EAGA is currently developing a business case which will assess the economic and technical feasibility of scaling up this proven approach and funding its delivery through an external financier and other alternate financing mechanisms, such as solar leases, and power purchasing agreements. EAGA welcomes the opportunity to collaborate with DEDJTR on the program and recommends the State Government supports councils to:

- obtain legal advice on related contracting issues (i.e. what happens at the end of the lease period or in the event of default) and other privacy and data protection barriers
- resolve accounting uncertainties, such as the treatment of leases as 'operating' or 'financial' when incorporated with rates charges
- amend the *Local Government Act* to reduce the administrative burden to councils in applying the Special Charges mechanism
- re-directing State Government funding of annual electricity concessions to cover aspects of the program's delivery (i.e. interest repayments or providing loan security reserve)

Establishing clear and equitable energy pricing is necessary for creating a level playing field for rooftop solar in the Victorian electricity market. We congratulate the State Government on its recent announcement of a 'fair price for solar' review. EAGA recommends that this review assesses all benefits of distributed generation and the value it returns to the grid, including the downward pressure on wholesale energy prices and reduced transmission costs, and avoided greenhouse gas emissions. The current feed in tariff methodology was designed in the context of a national carbon price, and in the absence of this it is important that any future valuation recognises the carbon benefits of supporting small scale renewables.

### ***Government role in facilitating the uptake of renewable energy***

EAGA supports the proposed initiative to update the state's renewable energy project and resource maps, but recommend that the scope should be extended beyond large scale wind and solar to the residential level. Specifically, we recommend the release of state-wide LiDAR data (held by Department of Environment, Land, Water, Planning) and related data sets to aid the processing of this data into a GIS solar

---

<sup>4</sup> <http://eaga.com.au/wp-content/uploads/EUA-Finance-for-the-Regions-Summary-Report-2013-12-02.pdf>

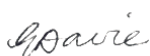
radiation layer. Once complete, the following opportunities can be collaboratively pursued by the State and Local Government sectors (and other parties) including:

- updating existing online mapping platforms (or developing a centralised platform) to incorporate the state wide data set, including the CSIRO myclimate portal<sup>5</sup> and Urban Sustainability Atlas (hosted by the Western Alliance for Greenhouse Action), data.vic.gov.au and nationalmap.gov.au
- establishing a clear data and privacy protocol and a process to collect and incorporate meter level consumption data from distribution businesses into the online platforms
- developing the functionality of these platforms to analyse energy consumption data against at the solar radiation profiles to enable the economic assessment of rooftop solar and storage, either at the premise scale, or aggregated at the precinct/regional level
- provide third parties and others with appropriate access to these platforms to examine aggregate demand management opportunities as alternatives to traditional forms of network augmentation in constrained areas

The government's role in supporting renewable energy cuts across multiple portfolios and policy areas. Ensuring that the Renewable Energy Action Plan utilises relevant complimentary policy and regulatory levers will ultimately maximise its effectiveness. For instance, harmonising state and local government planning an obvious area where the two spheres of government can effect long term change. The recent review by the State Planning Policy Framework (SPPF) advisory committee outlines a number of recommendations for expanding support for renewable and local energy generation.<sup>6</sup> EAGA urges the State Government to strengthen these recommendations to include mandatory requirements (Victoria Planning Provisions (VPP), Section 52.42) for the assessment of renewable energy and storage options alongside of traditional forms of energy supply.

Should you have queries or questions relating to this submission, please contact Scott McKenry, EAGA Regional Coordinator on [scott.mckenry@maroonodah.vic.gov.au](mailto:scott.mckenry@maroonodah.vic.gov.au) or 03 9298 4250.

Kind regards,



Cr Erin Davie  
Executive Committee Chair  
Eastern Alliance for Greenhouse Action  
Councillor, City of Stonnington



*This submission has been approved through EAGA's formal governance structure as described in the EAGA Memorandum of Understanding 2012-16. The submission may not have been formally considered by individual member councils.*

<sup>5</sup> <http://thermalweb.it.csiro.au/arcgis/myclimate/index.html>

<sup>6</sup> [http://www.dtpli.vic.gov.au/\\_data/assets/pdf\\_file/0010/231031/PPF\\_Integration\\_VPP\\_clause\\_13.pdf](http://www.dtpli.vic.gov.au/_data/assets/pdf_file/0010/231031/PPF_Integration_VPP_clause_13.pdf)