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# Impact Evaluation Report

Business Renewables Buying Group

ACKNOWLEDGEMENT OF COUNTRY

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We honour their ongoing connection to these lands, and seek to respectfully acknowledge the Traditional Custodians in our work.

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# Executive Summary

This evaluation of the Business Renewables Buying Group (BRBG), led by HIP V. HYPE for the City of Yarra and participating councils, assesses the impact of the program across financial, technical, environmental, and social dimensions.

Over three years and three program rounds, the BRBG has supported Victorian councils and businesses to procure renewable electricity via collective Power Purchase Agreements (PPAs) and has demonstrated clear successes.

The evaluation identifies these strengths, lessons and challenges, while providing recommendations to refine the program and amplify its climate and economic benefits for future iterations.

‘Green power together is cheaper than black power apart’

- BRBG Participant

## PROGRAM CONTEXT AND PURPOSE

The BRBG builds on successful precedents such as the Melbourne Renewable Energy Program (MREP) and Victorian Energy Collaboration (VECO). These earlier models demonstrated the economic and environmental advantages of aggregated energy purchasing. The BRBG adapts these principles for private sector participation, enabling businesses to achieve cost stability, lower emissions, and stronger energy market engagement.

The assessment comprised:

- Desktop review of documentation, closure reports, and FAQs;
- Stakeholder engagement with councils, buying group members and participants;
- Analysis and evaluation against financial, technical, environmental, and social criteria.

## PROGRAM STRENGTHS AND IMPACT

Based on the review, HV.H identified a number of program strengths and taken on balance, summarised the overall impact. They are as follows:

- The BRBG has **improved business access** to renewable energy, reducing barriers to market entry for organisations seeking cost-effective PPAs.
- The program **delivered clear financial benefits** (cost-savings) and energy literacy gains for participating organisations, enhancing understanding of renewable tariffs, risk, and contract structures.
- **Energy advisor** performance (1Circle) was consistently highlighted as a **major success factor** — providing technical clarity, tailored guidance, and responsive support.
- The **education and engagement** process strengthened organisational capacity, helping businesses integrate renewable procurement into their wider decarbonisation strategies and better understand energy market volatility.
- **Councils played a pivotal enabling role**, using established council alliances to expand outreach and build community confidence in clean energy uptake, highlighting the need to expand to an organisation with broader reach than just the City of Yarra.

## CHALLENGES AND BARRIERS

Despite the overall success of the program, there were a number of challenges and barriers that were identified during the evaluation for future consideration, including:

- **Ongoing funding constraints:** variable/decreasing funding from councils undermined sustained engagement, reduced shared benefits for program participants and slowed program expansion.
- Attribution or visibility: councils found it **difficult to trace and communicate measurable economic benefits** from their investment, complicating justification for ongoing financial support.
- **Threshold constraints:** the 500MWh/year minimum consumption and National Energy Retail Law (Victoria) Act 2024 (meters, even within the same business, with less than 40MWh/annum are excluded) limited participation from smaller businesses.
- Complexity and decision delays: long internal approval processes and **technical contract requirements** slowed participation, limiting conversion of EOLs, especially among larger organisations.
- Market perception and competition: increasing **‘green’ retailer** offerings reduced perceived differentiation of the BRBG.

## STAKEHOLDER PERSPECTIVES

Stakeholder interviews were undertaken to better discern between local councils, buying group members and participating organisations to unpack both the overall impression as well as the successes and challenges. In general:

- **Councils** viewed the BRBG as critical in accelerating local decarbonisation and business resilience, but they underscored the need for simplified materials and better coordination.
- **Buying Group members** reported strong satisfaction with program clarity, pricing transparency, and education outcomes, though sought more direct outreach through business and industry networks.
- **Participating organisations** cited barriers including contract complexity, mismatched energy demand thresholds, and limited awareness of the PPA model’s benefits.

## HIGHLIGHTS

- **38** councils currently participate, with 16 contributing financially, while **10** businesses have signed PPAs.
- The 2024 group is expected to reduce **13,000 tCO<sub>2</sub>-e** per annum, while over 100,000 tonnes have been reduced overall.
- Procured over **45 GWh/year** cumulatively.
- Approximately **70%** of participants reported being better informed about renewable energy procurement.
- **80%** of business engagement derived directly from council-led communications and outreach.

# Executive Summary

Based on the independent evaluation, the following successes, opportunities, barriers, impediments and challenges have been summarised into 19 different observations. These observations resulted from the combination of background research, review of program information, interviews with various stakeholders and HV.H’s broader experience in the energy market.

CRITERIA	SUCCESES & OPPORTUNITY	BARRIERS, IMPEDIMENTS & CHALLENGES
Financial	<p><b>Competitive Rates:</b> Organisations (where discussed) did generally end up with a competitive, if not a lower, price per kWh when compared with their standard black power contracts.</p> <p><b>Simplifying the upfront:</b> Providing a more stream-lined approach to help organisations navigate complex decision-making structures that make a buying group stack up.</p>	<p><b>On-Site Investment:</b> Organisations valued both the quick payback and reputational benefits that are associated with on-site renewable energy and electrification (directly cutting fossil fuel use) and this often took precedent over energy procurement decisions (investing in Scope 1 versus Scope 2).</p> <p><b>Funding Model:</b> The current BRBG funding model is unsustainable. The program relies on funding from councils to help reduce costs to participants, but represents a challenge in perpetual funding moving forward. Finding a more permanent and robust source of funding is a clear need.</p>
Technological	<p><b>Industry Associations:</b> Industry groups that are trusted and sector-specific provide a good opportunity to learn lessons and address common challenges with a larger cohort of organisations.</p> <p><b>Dynamic Pricing:</b> Exploring flexible, dynamic pricing models that decouple costs from fixed loads can influence consumer behaviour, offering potential appeal despite added complexity for retailers.</p>	<p><b>Market Volatility:</b> Organisations faced with a volatile and uncertain energy market are adopting a cautious “wait and see” approach, prioritising avoidance of costly mistakes over proactive action despite growing renewable dominance and limited energy literacy.</p> <p><b>Timing of Contracts:</b> When participants engaged with the program and existing contract end dates were big determinants in the ability to participate. Organisations recognised the program’s value but missed participation due to the length of engagement and not aligning with contract expiry, suggesting that maintaining detailed engagement data and follow-up could boost future involvement.</p>
Environmental	<p><b>ESG Aims:</b> Most organisations joined the BRBG to support existing ESG strategies that included energy goals (including most with public emissions reduction or renewable energy targets) and meet stakeholder expectation. This presents an opportunity to align and further advance these aims through education and cost-saving opportunities.</p> <p><b>Disclosures:</b> As emissions disclosure becomes mandatory, organisations must pair transparent reporting with tangible action, leveraging energy literacy and renewable energy initiatives to meet requirements.</p>	<p><b>Climate is not enough:</b> Programs (and funding) aren’t as successful currently if only looking at climate-related action, progress needs to weave in other co-benefits such as reputation, social license to operate and community reinvestment.</p> <p><b>Carbon Targets:</b> Organisations have been continuing the use of carbon offsets as a mechanism to reduce emissions as opposed to targeting initiatives like the BRBG, creating tension in terms of competing interests for funding.</p>
Social	<p><b>Visible Participants:</b> Success was largely driven by the presence of a prominent ‘anchor’ organisation whose participation and endorsement built trust, credibility, and encouraged broader business involvement through a sense of collective assurance.</p> <p><b>Further Aggregation:</b> Facilitating aggregation with multiple businesses at a smaller threshold, or advocating for changes to National Energy Retail Law (Victoria) Act 2024 around individual metering thresholds, can amplify action and engage further participants, noting however this may add further complexity.</p>	<p><b>Lack of relatable case studies:</b> The program enabled cross-sector learning, but progress was limited by the lack of peer organisations within each cohort.</p> <p><b>Hesitancy or uncertainty:</b> The program’s broad sector participation was a success, but the lack of established leaders made organisations hesitant to act first without peers in their sector to follow.</p> <p><b>Finding Businesses:</b> The program has achieved meaningful business engagement despite limited resources, but significant effort is needed to reach harder-to-engage sectors.</p>



# Executive Summary

## RECOMMENDATIONS

Understanding the various successes and challenges, a series of recommendations were identified and drawn from the analysis to take forward. These 10 recommendations include program changes, amplifying existing work, developing an advocacy role and supporting increased energy literacy and education.

1. Identify different funding sources (such as State, Federal or private institution) and in particular, those that don't rely on a range of smaller, less certain sources (e.g. individual or collection of councils)
2. Package standard educational resources and capacity building collateral for broader use amongst councils (for example to economic development departments and other organisations to improve energy market literacy)
3. Engage with industries, peak bodies and trade associations to identify a broader range of potential businesses (be it presenting to existing conferences, or upskilling in sector-specific areas) - take away some of the burden from council
4. Expand, enhance and amplify educational capacity building through both this process and more broadly across different stakeholders (e.g. councils, businesses and communities)
5. Continue with direct engagement where possible, or extend into a referrals based system (e.g. participant organisation discusses with their peers)
6. Consider the customer journey and experience from start to finish and identify opportunities to stream-line or accelerate to maintain momentum, but reduce ongoing administrative burden
7. Consider how broader drivers (such as reporting or reputation) can feed into the marketing and attractiveness of the program and enhance the offering behind just renewable energy and to a smaller extent, emissions reduction
8. Prepare case studies on a sector-by-sector basis to provide detail across the key drivers to help support other organisations
9. Investigate more dynamic pricing or load agreements (such as early engagement to lock in the 'anchor' large user ahead of the broader cohort start) that can facilitate smaller organisation participation being aggregated into the program
10. Create a different landing page for the program. One that isn't wed to the City of Yarra, but better reflects a Victorian-based approach



Fitzroy North Community Battery. Photography by Alice Mulleeney.



## BACKGROUND & METHODOLOGY

# Introduction

The global transition to renewable energy is accelerating, driven by a myriad of factors including urgent climate action, technological advances, and rapidly shifting economies. Government, industry and communities are all making significant investments in solar, wind, hydro and batteries and will continue to do so into the future.

Aside from direct investment in renewable energy technologies, contracts such as Power Purchase Agreements (PPAs) are becoming increasingly utilised to support organisations in their push to reduce Scope 2 emissions and access cleaner, and often cheaper, energy.

The Business Renewables Buying Group (BRBG) is one such program aimed at supporting Victorian businesses to access competitive, renewable-based energy tariffs through bulk purchasing agreements. In addition, the program aims to improve energy literacy through education and accelerate action in driving down greenhouse gas emissions.

Facilitating access to renewable energy is a critical step in decarbonising the economy and supporting the transition to a low carbon future.

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## PROJECT OVERVIEW

HV.H has been engaged by the City of Yarra, on behalf of participating councils, to evaluate the impact of the past three years of the Business Renewables Buying Group (BRBG) and unpack lessons, opportunities, successes, challenges and barriers.

The scope includes three main activities:

- A Preliminary Document Review to understand how the program is currently operating as well as the challenges, opportunities, limitations and perceptions.
- Internal (participating councils) and external (businesses that may or may not have participated) stakeholder meetings with insights directly incorporated into the report.
- Reporting the outcomes of the first two activities using both quantitative and qualitative measures to identify barriers, limitations, successes and opportunities.

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## DOCUMENT PURPOSE

This document summarises and evaluates the BRBG program over the past three years across a range of criteria to provide an independent assessment of the relative success.

It is intended to help inform future decisions regarding:

- The direction, capacity building and education around the program
- How best to fund and resource the program moving forward
- Areas where the program could improve
- Opportunities to amplify the program's outreach beyond the cohort of organisations that have already participated



Photography by AAP / Joel Carrett.



# Context

Prior to the City of Yarra leading a program to support bulk renewable energy purchase agreements, there has been an impactful precedent within the greater Melbourne area. This precedent served as the basis for future action and with each iteration, the scale of both participating organisations and cumulative energy procured has evolved.

Understanding this context helps establish the basis for relative success of the existing program, while also providing a useful lens with which to understand both the limitations of this approach as well as how the future direction of the program can continue to amplify climate action.

## MELBOURNE RENEWABLE ENERGY PROGRAM (MREP)

In 2019, the City of Melbourne assembled 14 different organisations, ranging from local government and universities through to cultural institutions and corporations to collectively purchase renewable energy through a PPA. The consortia ultimately procured 88GWh/annum for 10 years of renewable energy from a purpose-built wind farm (Crowlands) - a project enabled by the certainty given through this PPA.

A second program ran in 2020, capturing even more businesses, resulting in an increased amount of renewable energy (110GWh/a), drawing from a variety of wind resources in Victoria. Estimates suggest that energy for this consortia is equivalent powering over 22,000 households each year - all by renewable energy.

Both agreements have been considered a success, with an estimated 1m tCO<sub>2</sub>e being saved over the life of the agreements, while setting industry and citywide precedents for aggregated loads to attract better rates for renewable energy.

## VICTORIAN ENERGY COLLABORATION (VECO)

Led by Darebin Council, in partnership with the Victorian Greenhouse Alliances, VECO became Australia's largest ever emissions reduction project initiated by the local government sector. By gathering 46 local Victorian councils (now up to 51), the group pooled their energy requirements into a long-term single, renewable energy purchase agreement.

The collaboration resulted in around 240GWh/annum, (~48,000 households), powered by renewable energy. While the full financial benefit hasn't been calculated, some council participants have found up to a 35% saving compared to sourcing independently. These savings can be reinvested into the community, enhancing the long-term investment into jobs, local businesses and other economic benefits.

## BUSINESS RENEWABLES BUYING GROUP

Following from the success of the two previous programs, the BRBG supports businesses in achieving greater scale in their renewable electricity purchases, enabling a cost-competitive and more accessible drive for renewable demand.

The program's purpose is to:

- Access better tariff structures through bulk buying power
- Provide longer deals that can reduce market pricing volatility
- Support businesses in achieving lower (or at least more certain) electricity prices that are powered by renewables

The program aims to achieve this through engagement with businesses in local council areas by the local council. Given this aim, there are three different entities within the program:

- **Local Council** - who have an upfront role in identifying, attracting and educating businesses around the benefits of participation
- **Participating Businesses** - businesses that engaged in some way with the program; through webinars, conversation, EOI or early meeting, but ultimately did not sign an agreement
- **Buying Group Members** - businesses that signed a renewable energy bulk purchase agreement

To be eligible for the current program, businesses must:

- Have higher than a 500MWh/a usage (or around \$100k spend)
- Have their current energy contract ending in 2025 or 2026
- Wish to switch to 100% renewable electricity
- Proceed through three rounds of a tender process

There are currently 38 participating councils, with around 16 of those councils which financially contribute to the program (help facilitate the energy advisor and reduce some of the upfront fees for participants). Of these 38 council areas, only 10 entities have joined a buying group - questioning the investment. Participating councils have a strong commitment and desire to support communities in achieving a net zero future, while maintaining economic viability, but are struggling to justify the ongoing funding as local benefits are less clear relative to investment.

Businesses that participate typically follow a 5-stage process:

- Provide a historical bill record for analysis
- Set a defined level of consumption and cost for baseline (including accounting for future expenditure / growth)
- Define forward looking requirements and terms such as load forecasts and procedures
- Undertake a multi-round tender process with retailers to identify the best tariff/rate structure and offers
- Develop the terms, offer summary and final bill checks prior to entering into the PPA

Over the three years of the program's existence:

- 10 businesses have signed renewable energy PPAs
- Nearly 45 GWh/year worth of energy loads have been captured
- More than 100,000 t CO<sub>2</sub>-e will be saved

# Methodology

In order to effectively evaluate the impact of the program, HV.H undertook the assessment in three parts:

- Desktop Review
- Stakeholder Engagement
- Analysis & Evaluation

In addition to soliciting feedback from stakeholders that were involved in the process, HV.H also pulled in other metrics and criteria to support a broader assessment on both the qualitative and quantitative outcomes from the program.

The list of questions, metrics and the criteria for consideration are listed to the right, while the outcomes of the three parts are detailed further in the report.



VZUG HQ. Image from VZUG.

## KEY BACKGROUND INPUTS

Understanding the context, background and existing collateral that currently exists is fundamental to better understanding both the impact of the BRBG program as well as identify opportunities and challenges for the future program direction. A review of publicly available information and information provided through the program formed the early assessment and guided both the engagement and analysis of the effectiveness of the BRBG.

## STAKEHOLDER QUESTIONS

Based on our review of the background information, desktop research into similar programs and HV.H's general experience with PPAs, the following questions were developed to inform the stakeholder engagement and better understand stakeholder opinions and experiences to help evaluate the program.

These questions formed the basis for the participant and non-participant interviews, while a subset was used to guide conversations with local councils.

- Can you tell us how you became involved in the program?
- What is your overall impression of the program?
- Have you had previous experience with an energy advisor or broker?
- Is this your first time with a bulk purchase group?
- How easy or straightforward was the process?
- Did you have access to the right level of information and support throughout the process?
- Does the organisation have broader sustainability aims such as electrification, reporting obligations or reputational goals?
- How was the internal management of the process handled within the organisation? What were the pinch points?
- What were the key one or two items that facilitated success of the program from the leadership?
- What were the key limitations, challenges or barriers identified through the process?
- What types of actions can the BRBG take moving forward to improve the program?
- Would this program, if hosted by a State, Federal or Private Entity change how you view the opportunity (good or bad)?
- Has your organisation looked at the carbon savings, or has it been a purely financial / cost-looking exercise?

- Have you leveraged any results from the program into broader sustainability aims?
- Do you feel the program has delivered value?

## DRIVERS FOR PARTICIPATION

While the principal purpose of the BRBG is to access cheaper, or at the minimum, less volatile power prices leveraging renewable energy, there are often a number of other metrics and drivers that encourage or point businesses to a program such as the BRBG. For the purposes of this report, the following metrics (drivers) have been canvassed across the stakeholder groups to unpack further some of the reasons participants either did or did not continue into a PPA:

- Electrification beyond Scope 2 (Decarbonisation)
- Market and/or Customer Demand (such as Scope 3)
- Future Load Growth
- Reporting Obligations (such as the ASRS)
- Public Targets (such as Net Zero)

## EVALUATION FRAMEWORK

Lastly, in order to provide an evaluation to the relative success and challenges of the program, the following set of criteria were used, with feedback, analysis and results summarised in the report.

- **Financial** - has the program delivered value for money for the organisation or rationalised thinking in terms of energy/ emissions investment
- **Technical** - as the program moves into the third round, looking at the balance between those that were interested and those that ultimately signed on to a PPA
- **Environmental** - has the program been successful in driving down a proportion of emissions or leading to broader and systemic change across the organisation
- **Social** - what drove participants to the program, being reporting, public targets, reputation, compliance, load growth or otherwise. Were there key factors that influenced the decision-making process



# Project Background - Collateral

Beginning in 2022-2023 as a pilot program, the BRBG has been continually evolving, with a focus on refining its approach to scaling up and ease of replication through multiple rounds.

The first round saw four businesses participate, the second round increased to six businesses, while the current cohort of organisations is the BRBG's third round and is expected to attract between six to eight businesses.

HV.H have reviewed a range of documents that span all these rounds including closure reports from the first two cohorts, frequently asked questions and other collateral to understand better how the program functions as well as to guide the stakeholder engagement process.

Information gathered as part of this background review has been integrated into the evaluation and spread across the successes and challenges where relevant.

## ELECTRICITY PROCUREMENT BRIEFING

A review of the slide pack for the procurement briefing was undertaken to better understand the level of information provided to potential businesses and the assumptions given at the start of the process. Overall, the slide deck gave a clear value proposition for interested organisations as well as logically explained the process, timing and information required to participate. Specific themes included:

- Highlighting the ability for businesses to access lower rates through the bulk purchasing agreement. This includes a reduction on tariff costs, shared legal fees for the agreement setup and access to more competitive rates
- Capacity building through education including energy literacy, working of the electricity market and basic understanding of what to look for in an electricity agreement
- Explaining the forward-looking trends and analysis of energy prices and demand such as volatility due to market conditions alongside inflationary pressures
- Articulating the value proposition for longer-term agreements (consistent, able to be planned for) relative to shorter-term agreements (more drastic swings in pricing, ongoing management / time investment to sign new agreements)

## FREQUENTLY ASKED QUESTIONS

Benefits from the program to help with prospective businesses are clearly articulated with both the frequently asked questions (FAQs) and the webinars, including:

- Emissions reduction potential and liability of no action
- Alignment with customer or compliance (e.g. ASRS) expectations (e.g. Scope 3 emissions)
- Market leadership, employee alignment and response to customer demand

As part of the background research, HV.H reviewed the FAQs, with insights and consideration being weaved into the stakeholder questions to better understand how to potentially improve on the program. Responses to questions have been integrated further in the report. Based on our review, the following FAQs may benefit from additional information being given:

- Why might there be hesitancy in confidence for switching to renewables (Question 1)?

- Is it worth adding more to the value proposition around the additional drivers to switch to renewables as part of the energy literacy piece (Question 2)?
- Should further clarity be provided around the use of carbon offsets (primarily for Scopes 1 and 3 versus Scope 2), again adding to the energy and climate literacy function of the program (Question 7)?
- Should a larger focus be placed on the awareness around usage, forecasted growth (and market volatility) and improved decision-making be highlighted further (Question 14)?
- Does the ACCC exemption need to occur every year, or is this something that could be done on a multi-year basis to further reduce ongoing management costs, fees or other overheads (Question 25)?
- Should there be more information as part of the program how on-site and behind-the-meter solar + battery can further benefit organisations, particularly if electrification or load growth has been identified as a driver (Question 27)?

## MEMORANDUM OF UNDERSTANDING (MOU)

As the key reference document for the program and what helps ensure the transparent and thorough approach, the MOU is broken into a series of categories:

- Group Objectives
- Decision Rules
- Facilitator Roles
- Participant Responsibilities
- Quotes, Standards and Scopes

The MOU itself is relatively straightforward and provides a clear and concise overview of the process, while establishing the key functions for how the program operates. It seemingly provides all the relevant regulatory, legal and administrative requirements to participate in the BRBG program, while setting the expectation of organisations who choose to participate.

The document does not appear to be overly complex relative to what would normally accompany a standard retail contract for electricity services and provides a reasonable level of information to help inform an organisation as a basis for participation.



# Project Background - Closure Report

Lastly, to better understand some of the challenges and opportunities, both the 2023 and 2024 Closure Reports were reviewed, with a summary, changes between cohorts and considerations highlighted in the table below.

CRITERIA	2023 CLOSURE REPORT	2024 CLOSURE REPORT	NOTABLE CHANGES / CONSIDERATIONS
Acquisition	Getting businesses involved in the program required substantial resources for limited return. Challenges arose from the level of information required, tension from those already having energy advisors and a higher-than expected level of certainty required from organisations (e.g. expected costs, rates, etc.).	Resourcing to attract a higher volume of participants was still challenging, however better market conditions drove more organisations towards exploring renewables. Limited resourcing continues to be a significant barrier to engaging with more businesses, while substantial effort on the upfront level of information required remained.	<ul style="list-style-type: none"> <li>Require more upfront work from organisations</li> <li>Highlight case studies from previous rounds with higher degree of detail (e.g. costs)</li> <li>Reconsider how education and capacity building is undertaken to be more effective</li> </ul>
Memorandum of Understanding	The MOU process was straight-forward and largely accepted by organisations. Challenges arose around the time to obtain approvals which depended on the complexity of the organisation (some needing more, some less), while some others required extra third party review.	Organisations had similar views to the first/pilot cohort and there were no new trends or observations between the two cohorts.	<ul style="list-style-type: none"> <li>Provide 'expected' outcomes early on to support comfort with organisations</li> <li>Plan for a conservative estimate of fees, costs and obligations early on - with further benefit resulting if more participants join</li> </ul>
ACCC Approval	The ACCC approval was not viewed as particularly cumbersome or difficult for most participants, aside from the lack of knowledge from smaller participants.	The pilot process helped reduce complexity and upfront work required for the second cohort - providing additional efficiency and lower costs.	<ul style="list-style-type: none"> <li>Early education, communication and application for approval can streamline the program</li> <li>Pursue overarching approval to avoid annual work</li> </ul>
Contract Dates	Contract dates are one of the most significant considerations in determining success of the program due to the certainty needed for load start dates by retailers. Too much complexity reduced competitive offers from retailers.	Similar difficulties in attracting retailers based on different contract dates and annual load forecast persisted in the next cohort. This reduced upfront margin for retailers and either reduced the number of bids, or the rate offered.	<ul style="list-style-type: none"> <li>Clarify early in the process when an organisation can realistically join the program</li> <li>Consider aligning larger users with earlier start dates to give retailers comfort and certainty</li> </ul>
Consumption	The energy market has drastically changed due to a range of pressures including global conflict, post-Covid arrangements and a rapidly changing energy mix. This has limited the ability of smaller consumers from participating in these style programs.	Total annual consumption benchmarks to obtain better rates continue to rise to help protect retailers from volatility. Timing of loads within the BRBG can positively (similar loads) or negatively (off-peak) impact offer rates.	<ul style="list-style-type: none"> <li>Engage in early and upfront conversations around expectations with participating in the program</li> <li>Invest in trying to secure larger loads early on to 'anchor' the group and attract competitive offers</li> </ul>
Risk Profile	The program seeks to reduce the complexity for signing longer-term contracts and provide comfort and security for all organisations. Smaller organisations tended to be able to explore more diverse contracting arrangements.	No major changes in the risk profile for engaging in a retail contract. Similar challenges were identified as being pervasive across cohorts.	<ul style="list-style-type: none"> <li>Provide early information to interested organisations to understand risk and contracting arrangements early</li> </ul>
Renewable Commitment	Organisational drivers varied quite substantially between the need to reduce emissions, cost savings, reporting obligations and customer/stakeholder expectation.	Organisational drivers largely remained the same. It was identified that the length of engagement actually provided opportunity for capacity building around renewables.	<ul style="list-style-type: none"> <li>Consider whether additional education and capacity building could support more public engagement and messaging around renewables</li> </ul>
Competitiveness	Based on volatility in the market and a general sense that smaller retailers were unable to compete with larger retailers, there was a limited pool of competitive offers compared to what is available on the market.	The second cohort benefited from improving market conditions which resulted in additional retailers providing competitive offers and increasing choice. Detailed investigations into the offers will still be required.	<ul style="list-style-type: none"> <li>Continue to engage regularly with the market as conditions, drivers and offerings change rapidly</li> <li>Set expectations early in terms of competitiveness and scale/quality of retailers</li> </ul>
Education	The entirety of the energy market is viewed as a complex, interconnected system. Further education, capacity building and simplification can support managing expectations and driving success.	No major differences were identified between the two programs. Further education around the broader market is seen as helpful to ensuring the continued success of the program.	<ul style="list-style-type: none"> <li>Continually review the level of education and content of the materials to ensure it is fit-for-purpose and conveys information commensurate with expectation of potential buying groups</li> </ul>

ENGAGEMENT

# Engagement Summary

As noted above, a range of interviews were undertaken with local councils, buying group members and participating organisations to better understand perspectives, experience, barriers, successes, challenges and opportunities to improve.

The following provides a consolidated summary of these conversations with the aim of identifying what currently works, what doesn't work and what suggestions would help the program in the future.

On the whole, organisations listed sustainability, market differentiation and ethics as the top drivers for participating, while load uncertainty, timing and misalignment of contract dates were the most frequent reasons organisations didn't sign an agreement.

A more detailed summary of engagement with each of the three groups, broken down by question/topic theme can be found in Appendix A.

“Private sector moves with legislation, not values.”

- BRBG Council

SUMMARY CATEGORY	OBSERVATIONS
What worked	<ul style="list-style-type: none"><li>– <b>Council engagement and leadership</b> - with a dual focus on improving community emissions within their local government area as well as supporting economic benefits, the driving force of local councils was acknowledged as being effective in generating support for the program and attracting businesses</li><li>– <b>Education and energy literacy</b> - education and literacy were repeatedly identified as a standout success (with 70% of participants reporting being better informed about renewable energy procurement), helping all groups better understand the energy market, tariff structures, PPAs, renewable energy and even more broadly things like electrification and decarbonisation</li><li>– <b>Energy advisor performance</b> - consistent positive feedback was given around 1Circle, the chosen energy advisor, including their ability to translate complex topics into easy-to-digest conversations as well as their ability to speak to different audiences (e.g. sustainability managers, CxO's, procurement, etc.)</li><li>– <b>Participant outcomes and benefits</b> - in addition to generally attracting cheaper (one participant noted over half a million dollars saved over three years), or at least less volatile rates, the program also supported additional decarbonisation actions (e.g. on-site investment in renewables)</li></ul>
What didn't work	<ul style="list-style-type: none"><li>– <b>Program eligibility and scale barriers</b> - regional councils struggled to find businesses large enough to meet relevant thresholds while a number of interested smaller businesses (regardless of council area) were unable to participate due to existing market/legislative constraints</li><li>– <b>Resource and funding limitations</b> - councils faced shrinking budgets and maintaining dedicated resourcing for outreach and engagement, which prevents adequate progress, sustained effort and difficulty in continuing to attract new businesses to the program</li><li>– <b>Process complexity and organisational communication</b> - as this is a highly technical process, the length of time to translate topics into a simple-to-understand level of information for decision-makers led to slower uptake (or took multiple rounds of engagement) as well as often finding the administrative side of the process a struggle due to prolonged timeframes, approvals required and uncertainty around decision-making</li><li>– <b>Market and structural issues</b> - as there are existing 'green products' on the market with existing retailers, it was often difficult to encourage businesses to go through the additional complexity to join a group. Furthermore, organisations with multiple sites (often inter-state) were difficult to recruit and coordinate</li></ul>
What is recommended to change / modify	<ul style="list-style-type: none"><li>– <b>Program model</b> - explore new hosting models (e.g. non-profit, state government, alliance of councils, etc.) and retaining a strong local presence</li><li>– <b>Program structure</b> - advocate for changes to the National Energy Retail Law (Victoria) Act 2024 to allow aggregation of smaller organisations under an 'umbrella' entity, or allow those with small load meters to participate</li><li>– <b>Engagement and communication</b> - use targeted industry-specific engagement to attract organisations as opposed to broader outreach, develop more relatable, sector-based case studies and increase presence at forums and events to build broader awareness</li><li>– <b>Capacity building and education</b> - amplify the education focus through simple materials, enhanced webinars and standardised resources, while encouraging participating organisations to increase collaboration between sustainability, finance and procurement functions internally</li><li>– <b>Process and administration</b> - look to streamline the program administration by standardising tools, contract timings and simplifying MOUs where possible (make it easier to say yes)</li><li>– <b>Strategic direction</b> - look to leverage and reinforce the economic and community co-benefits of the program (e.g. cost savings, resilience, jobs creation) alongside emissions reduction, while looking to share more program success stories to make the program more relatable and help decision-makers</li></ul>



# ANALYSIS

# Analysis - Engagement

## OVERVIEW

As part of the background information and collateral shared by the BRBG; outreach methods, data analytics and frequency were reviewed with high level notes and key findings around the varying levels of success provided below and within Table 1.

## KEY FINDINGS

- Google Ads and Facebook provide a **very generic**, but high traffic opportunity, however **doesn't appear to have been a successful** mechanism for attracting organisations. Without knowing the cost involved, it may not be the best value for money moving forward to drive engagement.
- EDMs or Council-specific newsletters generated the **highest number of impressions relative to the number of engagement pieces** (66,000+ impressions off just 39 emails) highlighting the need for outreach to come from trusted sources.
- Industry specific or sector aligned** platforms, groups or reputable sources are more likely to drive higher traffic. This is likely due to individuals investigating common, or referred platforms drawing on the experience of others (e.g. peer groups, stakeholders, partners, trusted advisors).
- For something as complex, higher risk and longer-term as a power purchase agreement, **more formal channels for engagement** with trusted resourcess are likely to provide the best opportunity for success.
- Direct engagement** with identified stakeholders is the most effective way of reaching organisations, notwithstanding the difficulty of identifying those organisations in the first instance.

Table 1: Success of outreach methods

OUTREACH METHOD	DURATION	FIRST ENGAGEMENT	SUCCESS METRIC	NOTES
Google Ads	1 Week	180 clicks	353 impressions	Non-energy specific outreach seems limited in reaching the target audience (as opposed to simply a broad mix of the population)
Facebook	Ongoing	8 posts / 11 reshares	2,900 people	Social media, for more formal business outreach, is seen as less of a trusted source relative to how general community members feel about online engagement
Renew Ads	1 Week	393 clicks	241,246 impressions	Energy-industry specific more successful as this is likely a resource utilised by individuals seeking advice, support or progress around renewable energy
Webinar	Ongoing	265 registrations	103 attendees	Less than half of interested organisations actually participated in the webinar. While it is possible that some interested individuals were from the same organisation, it is still likely less than half attending.
EDM	Ongoing	39 emails sent	66,073 impressions	Targeted messaging can often result in higher uptake and engagement, particularly if they are sent to the right decision-makers within an organisation.
1 Circle Direct	Ongoing	873 emails	594 meetings	There appears to be a high response or follow up to direct engagement via 1 Circle. This could indicate that individuals within organisations are more responsive to a firm or entity that has some level of trust, expertise or knowledge that is valued.



Ruskin Elwood. Image from Kintaro.

# Analysis - Participation\*

## OVERVIEW

As the BRBG program enters its third year, a range of metrics and data points have been collected to track progress across various categories. These different categories have been summarised in Tables 2, 3 and 4 based on the data provided and reflects the participating businesses (meaning whether they signed an agreement or not). Note the number of businesses per each criteria don't directly align given gaps in data throughout the process. Key findings based on the analysis of this data are highlighted below.

## KEY FINDINGS

- Small businesses mostly only made it to the **first meeting (80%)** demonstrating that current legislation and market barriers are preventing smaller organisations (generators) from accessing programs such as these.
- Medium businesses were largely split between **first meeting** and **MOU** stage, with highest proportion of joining a buying group relative to each of the three size groups **(17%)**.
- Large businesses drove the total number of **MOUs (68%)**, but **only 14% ending up joining a buying group**, in part due to the complexity of getting an agreement signed in a timely manner.
- **Overall** the program resulted in around about a **14% uptake** from start to finish, with a complexity of reasons that are dependent on organisation-specific context (e.g. timing not right, currently on contract, etc.).
- Around **82%** of businesses were from Metropolitan Melbourne compared to just **18%** from Regional Councils.
- Most engagement and success resulted within the local government areas that were most engaged or involved in the program **(Yarra City - 18)**.
- Most common barrier given during the process for participation was being **too small**, which is partly due to existing market barriers as well as organisations not be aware of their total loads relative to program requirements.
- **Over 1/3** of businesses were identified as being in the **manufacturing sector, not-for-profit** and **education** highlighting the likely participants and focus area for future engagement.

Table 2: Engagement process of participating businesses by size

OUTCOME	SMALL BUSINESS	MEDIUM BUSINESS	LARGE BUSINESS	TOTAL
First Meeting	16	10	18	44
Two Meetings	0	0	1	1
MOU	2	9	23	34
Joined Buying Group	2	4	7	13
Total	20	23	49	92

Table 3: Participating businesses by Council

COUNCIL	PARTICIPANTS	COUNCIL	PARTICIPANTS
Yarra	18	Whitehorse	1
Melbourne	11	Maribyrnong	1
Knox	6	Wangaratta	2
Geelong	6	Moonee Valley	2
Darebin	5	Whittlesea	1
Kingston	6	Melton	1
Brimbank	4	Alpine	1
Glen Eira	4	East Gippsland	1
Bendigo	3	Port Phillip	2
Monash	1	Shepparton	1
Yarra Ranges	2	Boroondara	1
Wyndham	2	Northern Grampians	1

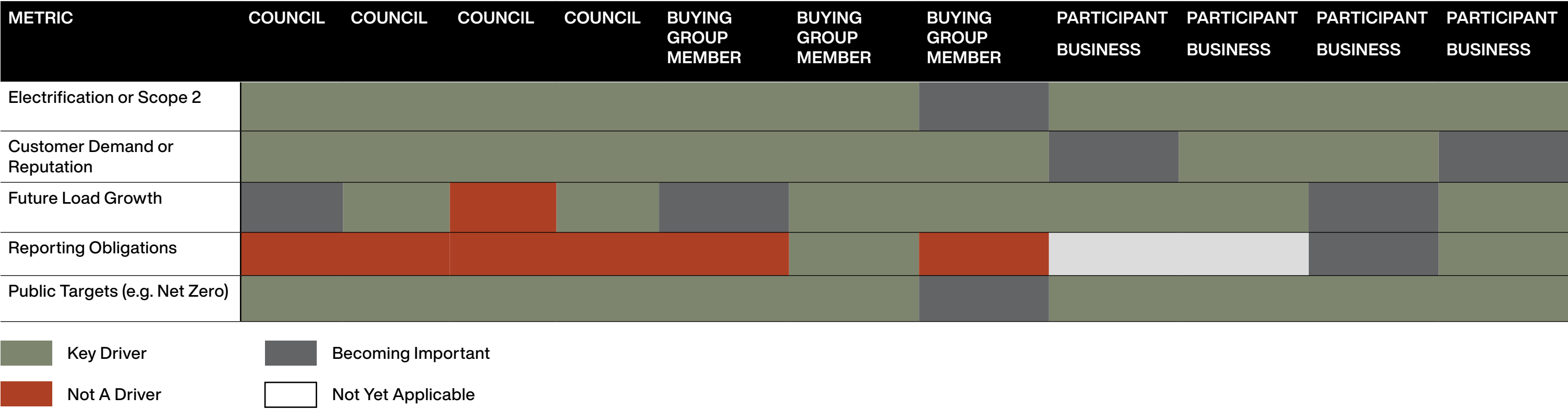
Table 4: Participating businesses by Sector

INDUSTRY	COUNT
Manufacturing	32
Not for profit	10
Education	7
Property	6
Health	5
Hospitality	4
Services	4
Infrastructure	3
Government	3
Arts	1
Retail	1
Entertainment	1
Finance	1



# Analysis - Drivers

As part of the early engagement piece, HV.H reviewed publicly available documents, reports and websites to try and better understand the drivers for different organisations. For local councils, this included what drove them to encourage and participate in attracting businesses to procure renewable energy, while the metrics were used to discern any differences between buying group members and those participating organisations. These early reviews were then refined/confirmed during the stakeholder interviews to better unpack the underlying drivers and rationale for participation in the program and understand if any common trends emerged. A brief visual has been provided to quickly understand which metric is a key driver, which is not a driver and which is becoming more important. Our key observations from this review are highlighted below.



## Key Observations

- All organisations had a key, demonstrated need to bring down both energy prices as well as overall emissions.
- Nearly every organisation recognised the value of, or are directly responding to customer or stakeholder expectations. Whereas some saw ESG as a requirement, others viewed it as an opportunity for competitive advantage or to attract customers.
- Organisations were mixed in terms of whether they thought their loads would grow versus needing a solution to manage their existing energy - although all recognised that business growth was likely tied to energy growth. This forecasting is a complex dynamic with volatility and the structuring of PPAs for all organisations took significant consideration.
- Mandatory (or voluntary) disclosure was not a key driver for most organisations, but the conversations revealed that most were thinking of their own obligations, expectations and requirements and how renewable energy (and Scope 2 emissions) factored into decision-making and future initiatives.
- All organisations had some level of public target, with a variety of metrics to outline that commitment (e.g. 100% renewable energy by a particular date, net zero by 20XX, 50% emissions reduction by 20XX, etc).

## FINDINGS

# Findings

## Financial & Technological

CRITERIA	SUCSESSES & OPPORTUNITIES	BARRIERS, IMPEDIMENTS & CHALLENGES
Financial	<p><b>Competitive Rates:</b> Organisations (where discussed) did generally end up with a competitive, if not a lower, price per kWh. This presented both arguments around improving longer-term cost pressures as well as demonstrating that responding to climate pledges can be done on a cost-neutral basis. Flexibility and agility built into the program can support improvements in achieving competitive and cost-beneficial outcomes. Approximate costs (and cost-savings) is one of the most requested pieces of information and arguably the most effective piece of information to engage organisations. While this data can’t always be shared, case studies and testimonials can support future improvement in engaging businesses.</p> <p><b>Simplifying the upfront:</b> As complexity in the upfront legal, agreement and contracting space was identified as a longer-term constraint to effective decision-making. An opportunity is to provide a more stream-lined approach to help with those organisations that have complex decision-making structure (which are also typically the larger energy user / anchor organisations) that make a buying group stack up. Participants did note and appreciate how the program attempted to reduce this complexity.</p>	<p><b>On-Site Investment:</b> Organisations valued both the quick payback and reputational benefits that are associated with on-site renewable energy as well as electrifying existing fossil fuel assets and this often took precedent over energy procurement. This included feeling like more tangible action occurred with installation (e.g. panels on a roof) and an ability to talk to clients more openly about progress. Investment decisions with a clear return were prioritised over actions that have unclear outcomes (e.g. will it save money). Without a clear return for expenditure, resistance will likely continue in engaging with organisations.</p> <p><b>Funding Model:</b> While the different groups have largely been successful in driving down emissions, saving costs and increasing education and capacity around renewable energy, the current BRBG funding model is unsustainable. The program relies on funding from councils to help reduce costs to participants (e.g. through engaging 1Circle for instance), but represents a challenge in perpetual funding moving forward. As resourcing is directly tied to success of the program, finding a more permanent and robust source of funding is a clear priority moving forward.</p>
Technological	<p><b>Industry Associations:</b> With a diversity of organisations participating, Council-led outreach was identified as positive, but flagged as not necessarily the most effective means of engagement. Various industry groups such as Associations, Working Groups, Business Chambers that are sector specific provide a good opportunity to learn lessons, address common challenges and raise the profile with a larger cohort of organisations. This was increased within industries that shared similar challenges, noting organisations have a higher level of trust with similar industries.</p> <p><b>Dynamic Pricing:</b> While largely a financial implication, organisations were exploring more dynamic pricing models in which it was less tied to fixed loads and capacity and provided more flexibility to drive consumer behaviour. While this potentially introduces complexity for retailers, it could provide additional attractiveness to organisations to participate.</p>	<p><b>Market Volatility:</b> With a rapidly changing energy market, tariff rates and offerings often change by the week. Expected increases in renewable penetration, coupled with retiring fossil fuel assets provides a somewhat predicted outlook for renewables, however uncertainty around unplanned closures, delays to projects like energy storage and global risks still do not allow for quick and easy decisions to be made. Most organisations were unaware of these external pressures and appreciated the energy literacy component, but this also fed into a ‘wait and see’ approach (organisations felt not making the wrong, and potentially costly, decision was almost more favourable than making the right one).</p> <p><b>Timing of Contracts:</b> Based on both stakeholder feedback and analysis across multiple cohorts, the timing of when participants engage and existing contract end dates determined the ultimate ability to participate in the BRBG, but all saw benefit in the program. Organisations that had longer-term contracts in place pre-Covid, often found rates under the BRBG to be higher, whereas those that experienced global volatility and energy disruption resulting from the Ukraine conflict found benefit in securing a lower rate. Flexibility in contract timing alongside a clear and data rich customer journey (outreach and follow up) is paramount moving forward and may ultimately impact participation and future engagement.</p>



# Findings

## Environmental & Social

CRITERIA	SUCSESSES & OPPORTUNITIES	BARRIERS, IMPEDIMENTS & CHALLENGES
Environmental	<p><b>ESG Aims:</b> While not always the driving force behind the decision to participate, most organisations had some form of public-facing ESG direction or strategy, part of which included addressing energy (be it an emissions reduction target or committment to achieving 100% renewable energy) to satisfy stakeholder or shareholder expectations. Often, it was these drivers or targets that oriented organisations towards the BRBG. The program has the opportunity to support broader aims and goals through further education, co-beneficial solutions (e.g. such as nature) and cost-savings that can facilitate investment in other areas.</p> <p><b>Disclosures:</b> With a growing number of organisations soon (or are already) being required to disclose emissions, simply publishing an account will not be seen as sufficient, whereas action will be needed to sit alongside reporting. In a few instances, the program supported organisations in addressing some of these mandatory requirements, while the energy literacy component helped orient future direction. Renewable energy purchases for Scope 2 disclosures is an opportunity to bring in more businesses, while accelerating action.</p>	<p><b>Climate is not enough:</b> In and around 2019/2020, there were a range of active and engaged councils, businesses and community members with climate emergencies. MREP, VECO and even to an extent BRBG was borne out of this movement and have driven progress under this banner. Reducing emissions and responding to climate however also needs to also make business sense to have the greatest chance of success. Programs (and funding) aren't as successful currently if only looking at climate-related action, progress needs to weave in other co-benefits such as reputation, social license to operate and community reinvestment.</p> <p><b>Carbon Targets:</b> Organisations have been continuing the use of carbon offsets as a mechanism to reduce emissions as opposed to targeting initiatives like the BRBG. It is unclear whether this is a result of not properly understanding how bulk purchase agreements work or just a manner of convenience to buy offsets. This does however create tension in terms of competing interests and how to best encourage funding by businesses into action.</p>
Social	<p><b>Visible Participants:</b> With both cohorts of businesses, it was identified that a large proportion of success was driven by having a large-user, or 'anchor' organisation. Having a known 'anchor' large business participating (and publicly speaking about the BRBG) can provide a level of assurance, trust and confidence for other organisations to participate as would conveying the number of businesses that have partaken (safety in numbers).</p> <p><b>Further Aggregation:</b> One of the fundamental barriers to progress with the program is the number of sustainability-aligned businesses that do not meet the energy load criteria. Small business (being those with meter(s) under 40MWh per annum) are not allowed to participate or aggregate loads by the National Energy Retail Law (Victoria) Act 2024, where they can in other states. By facilitating, advocating for or aggregating businesses in a smaller threshold (businesses that also typically don't have as long a lead time for decision) can amplify action and engage further participants, noting however this may add further complexity.</p>	<p><b>Lack of relatable case studies:</b> While organisations were able to learn and work with organisations from other sectors through the program, the lack of peer organisations within each cohort was identified as a limitation for broader progress and action. Most organisations valued sharing experiences with those in a similar sector who shared similar challenges. Providing a more direct lens could support broader uptake.</p> <p><b>Hesitancy or uncertainty:</b> While the diversity of business engagement has been a powerful success of the program, given there are a variety of sectors participating, there are less 'leaders' to look to in terms of solving some of the complexity. Many organisations were happy to participate if they had comfort knowing others in their sector had participated, however being the first to move provided reason to pause.</p> <p><b>Finding Businesses:</b> The program, given resourcing constraints, has been successful with reaching out to a number of businesses, however there are untold numbers of other businesses that haven't been reached as part of the program. One of the biggest constraints within the program involves the amount of effort, work, outreach and engagement needed to bring together a group of organisations that can form an attractive buying group and then curate them through a complex process. While some sectors were easy to engage with (e.g. schools, education, industrial, farming), others have been difficult to engage with (e.g. aged care, residential, hospitals). Identifying more effective ways of engaging businesses should be a priority.</p>

## Ongoing Support and Future Direction

In reviewing the BRBG program, a key overarching question is based on the unsustainable nature of financing, how to best ensure the ongoing viability and reach of the program. During discussions with key stakeholders the question was raised about the future direction and opportunities for a different models, funding sources, host organisation or shared opportunities.

Given the impact of the program (in addition to the range of prepared collateral), local councils and interviewed businesses noted that the BRBG should be something that is broadened in reach to advocate and canvas for change - leverage the successes, the list of businesses and the existing collateral for another organisation to take up as an initiative given the constraints noted by being heavily driven by only a few stakeholders.

While the ultimate outcome for the future of the BRBG is beyond this review, some insights and recommendations have been provided around each future direction.



Cape Paterson. Photography by Kim Landy.



# Ongoing Support and Future Direction

FUTURE DIRECTION	LIMITATIONS & CHALLENGES	OPPORTUNITIES & SUCCESSES	INSIGHT / RECOMMENDATION
Local Support	<p>Councils are experiencing tighter budgets that limit their ability to support community programs, particularly around sustainability. Some councils are beginning to question programs where financial investment is made, but the link back to direct action is hard to justify.</p> <p>It is worth noting a vast majority of businesses engaged were located in the Yarra City Council area - likely driven by the significant resourcing.</p>	<p>Having a local person responsible for the program was likely to result in the greatest success in engaging with a business - however it was unclear whether a local council officer was required, or just someone from the locality (e.g. local industry group).</p> <p>The perspective of a local Council employee working to obtain better outcomes for local businesses (and more broadly the community) was viewed as a positive and created a broader sense of trust as they were seen as being 'neutral' in the process.</p>	<p>Creating a network of professionals to support a program, through something like a Victorian Greenhouse Alliance could support facilitation of the program, while maintaining the recognised success of local face-to-face engagement. It is recognised that not every council will have the same level of support or resources (including the ability to fund over the long-term), but partnered with an external funding source, it could help engage with more businesses at the local level.</p>
State Support	<p>An idea around the State Electricity Commission hosting the program was raised, however flagged that it might lose traction and steam in and amongst other regulatory challenges and priorities and not be a viable long-term solution.</p>	<p>To get the right connections to the wider industry (either sectoral or energy) may require bringing in outside resources, funding, expertise and relationships to better drive success. This could be achieved through industry associations, trade groups or other sector-specific peak bodies that typically operate at a State level.</p>	<p>Organisations found that businesses might be less receptive from State outreach (be it distrust or not appreciating the local perspective) and the program might be diluted over time amidst competing priorities. This being said, Victoria has set strong signals for investment in renewables alongside decarbonisation. With the right partnerships, providing long-term funding to both invest in more renewables plus support local businesses may present an opportunity for longer-term engagement to support the goals of the BRBG.</p>
Federal Support	<p>The Federal Government has recently re-committed to both action and funding to support decarbonisation. While they do have support and finance, there are a range of competing needs, interest areas (e.g. industrial) and desire to maximise emissions reduction relative to cost and a further aim of supporting national-scale programs and projects. As the grid is currently decarbonising with renewable energy, securing ongoing/long-term commitment for a program such as this may be difficult.</p>	<p>Support at the federal level for both resourcing and engagement would further assist regional councils or smaller councils that both struggle to contribute to the program, but also are constrained in terms of outreach and identifying potential businesses and ongoing engagement (noting some metropolitan councils don't even engage within their local area).</p>	<p>As most councils are underfunded and under-resourced, support in outside assistance can provide a greater variety (and voice) for engagement, potentially broadening the number of businesses that engage.</p> <p>With a new Australian emissions reduction target and increased ambition, accessing national funding could be viable for long-term support (beyond 2030) to help accelerate decarbonisation and further support the energy transition.</p>
Non-Profit or Private Institution Support	<p>Attracting like-minded organisations that have both funding and a remit to support renewable energy could be difficult to find / attract. With many non-profits or institutional support, questions around longevity and continual funding remain problematic.</p>	<p>It was broadly recognised that if an organisation didn't stand to profit from the engagement of other businesses, but could be responsible for funding and resourcing, a private entity could facilitate the program. Furthermore, many of these organisations have technical experts and communicators on staff that could help amplify the non-financial resourcing side of the program (e.g. outreach and messaging). This could include a non-profit, superannuation fund, financial institution or the like.</p>	<p>Disassociation between the folks doing the work (Council on their own or in collaboration with others) and those funding the program (whomever) was one solution to provide a balance and future certainty for the program.</p> <p>Many non-profits have been created to support the electrification journey which could in turn help support this program, while big institutional entities are looking at ways to deploy capital at solving Scope 3 emissions (given businesses are often on their balance sheets). Both are viable options for further consideration.</p>



# Recommendations

Based on the observations and review of key documentation, collateral, stakeholder engagement interviews and broader insight into the market, the following reflections (and rationale) are recommended to provide the best outcomes for increasing and expanding the impact of the BRBG beyond its current level of success.

RECOMMENDATION	RATIONALE
1. Identify different funding sources and in particular, those that don't rely on a range of smaller, less certain sources	Council budgets are constrained and becoming increasingly so. Part of the external funding helps reduce barriers for businesses, therefore finding other sources of income will help encourage more businesses to see the value relative to the upfront costs.
2. Package standard educational resources and capacity building collateral for broader use amongst councils (for example to economic development departments and other organisations to improve energy market literacy)	As most participants highlighted learning as a key success (regardless of whether they participated), it would assist in broader decarbonisation efforts by using this collateral and material for other purposes. Furthermore, making educational resources council-specific added time and cost to the program without necessarily adding value. Standardising could work to bring down administrative costs.
3. Engage with industries, peak bodies and trade associations to identify a broader range of potential businesses (be it presenting to existing trade shows/conferences, or upskilling folks in sector-specific areas) - take away some of the burden from council	Interviews with businesses suggested both that hearing from 'like' businesses that had common challenges was helpful, while industry associations can support sector-wide engagement (e.g. similar issues, similar responses). Attending these kind of events can streamline engagement and work to collect a larger cohort.
4. Expand, enhance and amplify educational capacity building through both this process and more broadly across different stakeholders	One of the single biggest successes noted from the program was the increase in climate and energy literacy that was gained through the program for all levels of both councils and organisations. This in turn (regardless of signing an agreement) promoted broader decisions and actions around decarbonisation - further driving success. By using resources for multiple purposes and continuing to educate, progress towards climate action will continue to amplify.
5. Continue with direct engagement where possible, or extend into a referrals based system (e.g. participant organisation discusses with their peers)	Capacity building through relationships has been a proven success point of the program. Both the local council representatives and the energy advisor became trusted partners and drove greater uptake through this engagement.
6. Consider the customer journey and experience from start to finish and identify opportunities to stream-line or accelerate to maintain momentum, but reduce ongoing administrative burden	Often, the process within an organisation took several months. This resulted in lost interest, administrative burden in attending meetings, etc., while uncertainty or other entities dropping out caused concern with continuing to remain in the group.
7. Consider how broader drivers (such as reporting or reputation) can feed into the marketing and attractiveness of the program and enhance the offering behind just renewable energy and to a smaller extent, emissions reduction	The buying group concept makes sense and resonates with organisations around saving money through electricity procurement, supporting renewable energy and to a lesser extent, emissions reduction. Leaning into other drivers (e.g. electrification, brand enhancement) through targeted messaging can help drive more interested parties from within an organisation towards a solution such as a buying group.
8. Prepare case studies on a sector-by-sector basis to provide detail across the key drivers to help support other organisations	As noted above, participating organisations all reflected that hearing success stories from peer organisations helped reduce the perceived risk and helped articulate back to decision-makers the value of participating.
9. Investigate more dynamic pricing or load agreements (such as early engagement to lock in the 'anchor' large user ahead of the broader cohort start) that can facilitate smaller organisation participation being aggregated into the program	Part of the challenge identified was not only meeting the individual energy use thresholds, but also the group aggregate to attract the best offers from retailers. By attracting an anchor organisation that may not just go for 'green' power alone would help provide confidence for retailers, while allowing smaller organisations to join in the group to access lower tariffs.
10. Create a different landing page for the program. One that isn't wed to the City of Yarra, but better reflects a Victorian-based approach	Stakeholders suggested there was a perception that the program was City of Yarra specific, potentially resulting in hesitancy from organisations outside this local government area. Having a less geographically-specific identity may help in bringin in new organisations.

# Conclusion

This report has been drafted to help support the BRBG program moving forward. It highlights existing successes as well as several opportunity areas for improvement that the BRBG program leads and/or group of councils could consider when thinking about how to take further action.

It is clear from this impact evaluation that the program has resulted in meaningful outcomes and pushes decarbonisation ahead within communities, industry and across Victoria.

What is also clear is the need to adapt, expand and learn from lessons in order to both continue to reach new organisations and support more ambitious decarbonisation goals, especially in the context of potentially declining funding sources and increased urgency to decarbonise.



Photograph courtesy of Tolotola.

## Appendix A: Stakeholder Feedback



# Engagement - Local Councils



Photograph courtesy of Navin Tar.

## PROGRAM INVOLVEMENT

Participants from a Council perspective were largely driven to join the program through existing council alliances such as GMCA and EAGA, or had previously participated in legacy programs such as MREP or VECO. Councils have all largely been supportive throughout all iterations of this style of program.

The primary driver for Council involvement is to support and unlock emissions reduction activities across the community - with a focus on businesses. The biggest user groups in a local government area are typically industrial and commercial businesses alongside health and educational facilities - a target audience for this program.

## OVERALL IMPRESSION OF THE PROGRAM

Regional councils, while supportive of the program, its ambition and the general approach, often struggled to find or have limited businesses that met the annual usage threshold. This was often despite having a number of small consumption businesses interested in the process (being sustainability-oriented or minded).

An opportunity arose during several conversations on whether smaller organisations could join together to form ‘one negotiating entity’ to join an anchor businesses from a locality. If possible, this could unlock a bigger opportunity, as it’s recognised that some smaller organisations are more agile, sustainability-minded, but don’t always attract the best rates, tariffs or outcomes that prevents further opportunity.

Large organisations were understood to already be investigating this space outside of the program - meaning it is hard to discern whether outreach and engagement is successful and potentially wasting time trying to attract ‘anchor’ organisations to guide a buying group.

## PROGRAM INFORMATION

While councils weren’t across the level of information and detail provided to participants through the program, they all recognised that upskilling both council resources and improving broader

energy market literacy (even as simple as just understanding what a PPA is, or how tariffs work) would continue to drive success. Some councils went so far as to say that education is the single most critical piece to this program - beyond even the associated financial or emissions savings. Each iteration of the group seems to bring clarity and tightened education.

A common opportunity to improve outreach and provide better use of resources involved the exploration of industry groups, trade associations and business chambers to appeal to a broader range of organisations. This approach would not only introduce a larger audience to the program, but ideally interest organisations that share similar challenges (within the same industry), further generating participants, or even including FOMO as an additional driver to participate.

## SUSTAINABILITY AMBITION

Councils were obviously supportive of various levels of sustainability ambition, including supporting the business community to not only remain viable, but address greenhouse gas emissions alongside increasing the penetration of renewable energy. This extends to other programs offered by Council that support electrification. More broadly, community expectation is that Council sets a higher level of sustainability ambition for others to follow.

One of the challenges flagged was the size threshold for businesses. Many councils found interested organisations, but a vast majority did not meet the usage criteria, limiting their ability to access cost-effective renewable energy. While this was identified as a limiting factor, the education collateral developed as part of the BRBG program has proved useful for councils in broader engagement. This helps catalyse broader action, regardless of participation in the program.

Furthermore, it was also identified that businesses that had multiple assets across multiple council LGAs were often hard to attract and engage with (having corporate offices located in different geographies, including other states). Often, the decision-makers were not located in areas where the resourcing to engage businesses were, making it challenging to work with these organisations and attract them to a program such as the BRBG.



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## INTERNAL MANAGEMENT / PROCESS

Responsibility for a program like BRBG is often left to resource-constrained sustainability teams within Council. Finding staff to support hasn't been a barrier, however finding funding support has been challenging. Long-term financial support is either non-existent, or declining. For the program to amplify, reach more businesses and continue to grow, resourcing (both staff and financial) needs to grow in a sustainable way.

This tension becomes even more pronounced with regional and smaller councils, with limited resources, few relationships with businesses of the right size and little data around energy use within their LGA, creating multiple barriers to engage with a program such as the BRBG.

In addition, the upfront piece to engage a businesses is considerably lengthy. It was recognised that in some ways this was important, as it allowed for capacity building, whereas others needed to reach a decision/conclusion more quickly - leading to tension amongst cohorts.

Conversely, it was recognised that internal council programs that are seen to be working with businesses through an economic development lens (including making them more resilient) was often a plus when councillors and other decision-makers were involved (e.g. conveying the value).

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## ENVIRONMENTAL BENEFIT

One challenge raised for the overall program was the 'sell' or 'point of difference' for a program such as BRBG, as many retailers are offering 'green products' attached to existing and typically retail agreements (e.g. green power). With individual choice (and easier) to set and forget, it limits those that may potentially explore a group purchasing arrangement.

Beyond electricity contracts, many organisations with net zero pledges or other commitments have been slow to make progress in emissions reduction. The BRBG program represents a good opportunity to tick off a goal in a relatively straightforward way, but more often than not, the program needs to deliver cost savings, and drive an economic win alongside emissions reduction.

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## FUTURE SUSTAINABILITY

While the program has been successful in helping businesses access renewable energy, the overall greenhouse gas reduction benefit (and economic resilience) is not often attributed to council, despite the direct funding. This can be seen as challenging from stakeholders like councilors in terms of continued financial investment in the program without a direct return.

Moving forward, in-kind support for the BRBG will continue, however financial contributions are expected to focus more on community engagement, household-level emissions reduction and direct investment into council-led initiatives.

While this may represent a shift in priorities, educational materials and collateral should remain central to future efforts, given many local business owners are also local community residents. This creates an opportunity to influence both groups towards purchasing or investing in renewable energy with the same information.

**'Emissions reduction is not everybody's core business, but it is everyone's responsibility'**

**- BRBG Council**

# Engagement - Buying Group Members



Davidson Street Solar

## PROGRAM INVOLVEMENT

Engagement for participants was mixed, with avenues including Council outreach (mix of webinars and conversations), existing work with energy advisors as well as through other industry associations, often through a particular physical location and not necessarily at the corporate head office. Participants also noted conversations had occurred over a length of time and the decision to participate wasn't always during the first opportunity to do so (e.g. the first cohort).

## OVERALL IMPRESSION OF THE PROGRAM

Overall impressions of the program from the participant organisations was generally positive. The organisations clearly saw the value proposition and imperative having signed an agreement into the program. There was not much critique around the program as a whole.

Participants echoed the ability to drive a lower price through the process was a big selling point as was the transparency offered throughout and that the organisation looked to a program such as the BRBG as a means to satisfy a need.

The complexity of a program such as bulk purchase agreements, with nuance of different users, different energy patterns, levels of commitment and application to the ACCC was challenging, but the overall experience of the program and its partners made this a comfortable and straight-forward process.

## PREVIOUS EXPERIENCE WITH BUYING GROUPS OR RENEWABLE ENERGY AGREEMENTS

Some participants in the program had previously used energy advisors and recognised that short-term, generic contracts didn't deliver a good range of benefits (e.g. the overhead required or not as competitive rates), while the shared costs and learnings through this program was of bigger benefit. It was acknowledged that some organisations aren't likely to change from what they know and the benefits of switching have a challenge to be adequately conveyed to outweigh the complacency from just rolling over a new contract.

The opportunity of purely allowing organisations to view their usage and think about the longer term benefits can be value in of itself, regardless of participation.

One of the constants from all organisations was around the use of 1Circle as the energy advisor. Throughout the whole process they were considered accessible, knowledgeable and responsive to help participants navigate to a successful outcome. Energy literacy was high with participants, but further increases through the process was identified as a key success.

## PROGRAM INFORMATION

Program information was simple and effective at communicating the key concepts, while energy literacy increases through the process was identified as a key point and key success - something that needs to be maintained and/or expanded on.

Organisations valued the deep market knowledge, technical expertise and simplistic way of conveying the information (such as tariff structures, energy spend costs, etc.) as delivered by 1Circle, feeling comfortable to ask all manner of questions throughout the process.

It was raised several times; speaking more at industry forums and events to better spread the information, access a broader range of organisations and support the implementation of the program.

## SUSTAINABILITY AMBITION

Organisations have a broad range of net zero and emissions reduction target which was often driven by stakeholder expectations, but also recognised as a value to provide back to clients/customers. Some participants viewed this as 'opportunistic' to support enhanced reputation. Addressing Scope 2 provided the gateway to eventually address Scopes 1 and 3, however the BRBG participation was not necessarily the immediate gateway to other action.

Participation in the program highlighted the need for businesses to do more to address decarbonisation. Participants noted that accessing renewable energy sat alongside initiatives like on-site renewable generation and storage, fleet, plant and equipment electrification and a broader look at the resilience of both their supply and value chain - all affecting real change.



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## INTERNAL MANAGEMENT / PROCESS

Responsibility for a program like BRBG was left to either the sustainability or procurement teams. Internal drivers such as reputation drove the decision on sustainability (nice to have), whereas procurement was often the conduit to cost-savings.

One of the key factors in determining whether to move forward was the forward-looking certainty for an organisation, particularly given the long timescale associated with the program. Providing this comfort was seen as a positive step to engagement, although the volatility was an obvious challenge.

Another key factor was the ability for organisations to access the technical resources (be it council or energy advisors) to have direct conversations with decision-makers, 'speaking their language'. This could help meet an organisation where there were, say if risk was a driving factor, project information could be conveyed in those terms as opposed to emissions reduction / sustainability.

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## PROGRAM VALUE

Quantifying program value in a financial sense was difficult for some participants (as forecasting what would have happened is a detailed exercise), although most recognised they were better off for having signed the agreement. In some instances, financial benefit far exceeded investment into the program. For instance, one participant noted in the aggregate, they had saved over half a million dollars over three years, while others found the agreement at price parity from what they were currently paying, but with the added benefit of being 100% renewable. This view however was reflected after the fact, whereas some organisations had difficulty getting the cost increases across the line as the forecast savings could never be absolute.

Many of the participatory organisations had also undertaken on-site renewable energy investments (e.g. solar) to complement tackling Scope 2 emissions.

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## ENVIRONMENTAL BENEFIT

Several organisations recognised future demand with load

increases (due to business growth), electrification (e.g. replacement of existing infrastructure or fleet transitions) and changes in businesses process (e.g. digitalisation) as being key drivers for purchasing renewable energy. Carbon emissions savings however haven't been the primary driver for decisions.

By starting with Scope 2 (or continuing with on-site renewables), organisations have translated this work into other community/ stakeholder aligned action, such as work with nature.

Furthermore, organisations recognised the value that broader ESG brings, with this program one component of the journey. Most businesses were focused on doing the right thing, particularly when there is a cost saving aligned.

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## FUTURE SUSTAINABILITY

Participating in the program appeared to unlock further action for some participants, as well as conversations or opportunities with a variety of stakeholders. Different organisations had different drivers, but most have been able to translate this switch to renewable energy to broader value, be that stakeholder reputation, marketing or collaboration with others. Some organisations however have also acknowledged the technological limitations, or cost-premium associated to remove fossil-fuel equipment and flagged that as a future challenge.

A common reflection suggested that if an entire industry were to move, there might be more progress and uptake. Organisations that saw their peers acting were more likely to explore the opportunity.

As all the organisations either had internal sustainability metrics or external targets, the capacity built through participating in the BRBG will continue to support decarbonisation not only within each organisation, but more broadly within industry.

**'Making something scary straight-forward'**

- BRBG Participant Feedback

**'The BRBG is the best available opportunity to access green energy'**

- BRBG Participant Feedback

# Engagement - Participating Organisations



Photograph courtesy of Kristoffer Paulsen.

## PROGRAM INVOLVEMENT

Engagement with the BRBG was typically initiated through local Council outreach or through existing relationships with 1Circle (direct relationships), although feedback generally suggested it was less about the outreach and more about the nuts and bolts of the program. Further engagement with the program was driven in part by needing a more formal approach to sustainability, or support needed to help address Scope 2 emissions.

It is noted that several interested organisations had been part of, or investigated precursor programs such as MREP or VECO, so were largely familiar with the concept.

## OVERALL IMPRESSION OF THE PROGRAM

The overall impression of the program was generally positive. Organisations clearly saw the proposition, the value and imperative, while not having much critique or reflections around the program as a whole.

The timing and length of the program were raised as barriers as competing factors such as how long it takes to make a decision, current contract expiry, weaving in with existing business decisions, etc. that often make participation difficult. Simple day-to-day roles often placed a program such as this in the too hard basket in part due to its complexity when compared with continuing current procurement arrangements.

## PREVIOUS EXPERIENCE WITH BUYING GROUPS OR RENEWABLE ENERGY AGREEMENTS

Organisations experience with energy advisors was mixed, with some using energy advisors to procure electricity, but generally on a shorter-term nature (e.g. yearly, flexible contract based on load). While some organisations liked this arrangement, others noted the ongoing effort required to manage this process, recognising that a longer-term contract could be beneficial in reducing overhead burden, noting there still needs to be a financial upside.

One of the constant positives from all organisations was around the use of 1Circle as the energy advisor. Even the non-participants found value in better understanding the energy market, tariff structures and having a think through historic and forecast loads. Energy literacy increases through the process was identified as a key point and key success.

## PROGRAM INFORMATION

Organisations appreciated the upskilling of energy literacy, despite not participating in the program. Most organisations noted that even limited engagement with the process helped advance thinking and action within their organisation. Barriers and challenges raised was perhaps providing some additional graphics or new graphics around some of the more complex topics like how the market works in practice or concepts like electron flow in practicality. While there is a tension between over-simplifying complex information (that participants need to know) general upskilling for more than just the organisation contact would be helpful - drive more of a systemic change or knowledge (particularly if staff leave organisations between or during groups).

Organisations valued the easy access to the program facilitators and technical expertise throughout the process, noting that all manner of questions were asked and answered to a satisfactory manner, helping aid in timely decision-making.

One potential value add to the program revolved around providing case studies with similar industries or similar challenges. It was recognised that this provides confidence for organisations thinking about participating.

## SUSTAINABILITY AMBITION

Organisations have a broad range of net zero and emissions reduction targets. Several had formal targets (e.g. Carbon Neutral by 20XX, 50% reduction by 20XX), while others recognised the need to reduce emissions inherently, but without targets. All organisation seemed to recognise the value of ESD within their operations, but had varying levels of success in implementation and were considering the approach moving forward.

Participation in the program certainly highlighted the need to do more within the decarbonisation space and some non-participant feedback highlighted the need to other actions before engaging in a PPA for renewable electricity. Electricity for some of the large organisations was the predominate source of emissions and thus represented the greatest opportunity to act. Conversely, it was recognised that business growth is often commensurate with increased energy loads. Keeping costs manageable/down is a critical factor for this growth.



# Engagement - Participating Organisations

## INTERNAL MANAGEMENT / PROCESS

Generally speaking, responsibility for a program like BRBG was left to either the sustainability team or within the procurement team. While finance was often involved, it wasn't always the deciding factor. Organisations flagged that while literacy grew for the person responsible for evaluating the BRBG program, it was often difficult for that person to convey the information back to the organisation - leading to some challenges in convincing decision-makers. At the end of the day, decision-makers wanted a clear answer about the value they were getting for participating.

Other organisations noted a misaligned or complexity associated with multiple parties being tangentially related to energy (e.g. procurement, sustainability, asset managers, energy managers, project managers, etc.) which complicated progress being achieved, or ultimately the decision to participate.

## PROGRAM VALUE

Often, those organisations that did not participate recognised the value of the BRBG, but various factors prevented them from progressing further. It was clear that for most, the investment was likely to result in either cost-savings or at least a cost-neutral solution, but that timing, investment in on-site solutions or lack of certainty was ultimately the deciding factor.

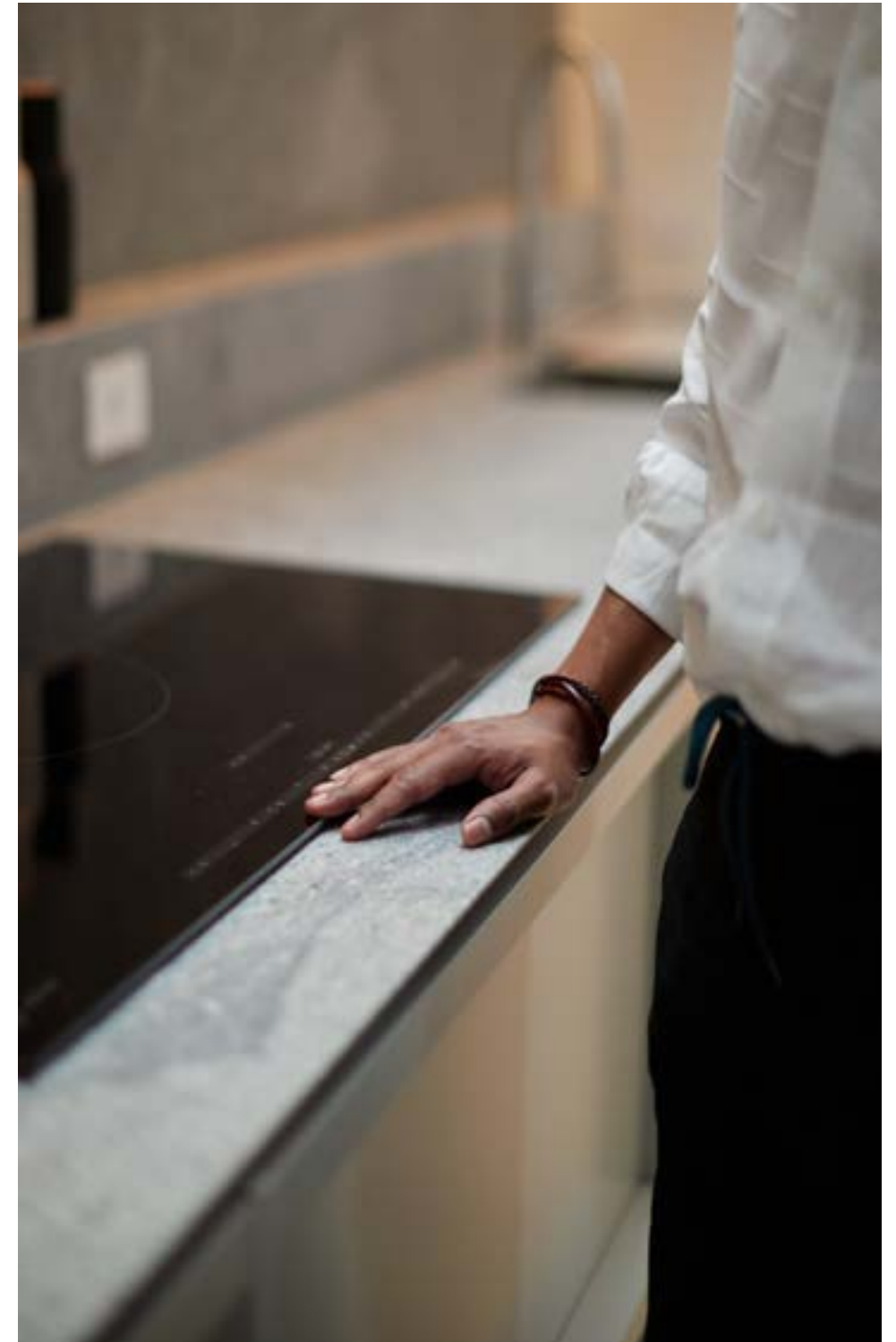
## ENVIRONMENTAL BENEFIT

Organisations within the non-participant group noted the use of carbon offsets as part of the broader energy strategy. Within organisations there existed confusion as to the benefit of renewable energy 'green power' (often at a premium), versus offsetting emissions through carbon offsets (which often are cheaper). Most however were looking to avoid the continued use of offsets for end uses that had viable decarbonisation pathways (e.g. Scope 2) and instead reinvest that money into other areas (e.g. nature, water quality, social improvement).

## FUTURE SUSTAINABILITY

Most organisations that were interviewed flagged that they would continue to evaluate their energy needs, forecast load and when their existing contract was coming to expiry, reach out to the BRBG to see if they could align and participate in a group.

All organisations noted that the educational literacy and capacity building gained through the process was already helpful and orienting internal discussions for upcoming sustainability work.



Photograph courtesy of Kim Landy.



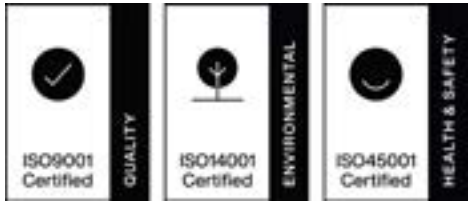
For additional information, questions unturned, collaboration opportunities and project enquiries please get in touch.

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