



25 November 2016

Community Renewable Energy Projects Consultation
Department of Environment, Land, Water and Planning
GPO Box 500
East Melbourne VIC 8002

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To whom it may concern

Community renewable energy projects discussion paper

Hobsons Bay City Council welcomes the opportunity to provide input into the discussion paper for community renewable energy projects as it addresses one of our key priority areas, enhancing the environmental sustainability of our city, identified in our Advocacy Strategy 2014-18. Council has developed a suite of policies aimed at reducing greenhouse gas (GHG) emissions within our municipality that includes our Community Greenhouse Strategy 2013-30, Corporate Greenhouse Strategy 2013-20 and Climate Change Adaptation Plan 2013.

I recognise that this policy area requires strong partnerships, additional resources and funding and we welcome the opportunity to provide further input into the development of community renewable energy projects.

Should you wish to discuss this submission further, please contact Kathleen McClusky, Manager Strategy and Advocacy on 9932 1004 or email kmclusky@hobsonsbay.vic.gov.au.

Yours sincerely

Chris Eddy
Chief Executive Officer

Hobsons Bay City Council Submission to the Community Renewable Energy Projects Discussion Paper

A summary of the key points outlined in Council's submission are:

- funding should be made available to assist with all aspects of project feasibility assessments, planning and development
- from a land use planning perspective, community renewable energy projects should not be defined differently to other types of energy generation projects
- an alternative payment methodology or approach should be developed to facilitate greater investment in renewable energy and to lead the decarbonisation of the energy supply network
- the exclusion zone for RAMSAR protected wetlands should be retained

Hobsons Bay is situated on the Port Phillip Bay between seven to 20 kilometres south west of Melbourne's Central Business District (CBD). The community has told Council that they love Hobsons Bay for its foreshore, beaches, waterways and natural spaces.

To support Hobsons Bay's unique environment and liveability within the municipality, under the umbrella of Council's Environment Strategy, Council has developed a suite of strategies and plans to protect and enhance these valued assets and address the different aspects of climate change. These include: a Climate Change Policy 2013; a Climate Change Adaptation Plan 2013-18, Corporate Greenhouse Strategy 2013-20; Community Greenhouse Strategy 2013-30, an integrated water management plan 2014-2019, a community environmental engagement strategy 2013-18; and a Waste and Litter Management Plan 2012-17.

Council has an important role in enabling, engaging and encouraging the local community to move to a low carbon future. The Community Greenhouse Strategy has been developed by Council to support the reduction of greenhouse gas emissions within the municipality. The strategy sets an ambitious target of zero net emissions by 2030 and initiatives are being undertaken to work towards this target.

The work that the Victorian Government has completed recently to support the uptake of renewable energy, including community projects, is generally supported. This includes Victoria's Renewable Energy Roadmap, the development of the Guide to Community-Owned Renewable Energy for Victorians, changes to the grid connection process as well as the consideration being given to increasing financial support and waiving licence requirements to sell or supply energy. Ongoing consultation, such as inviting responses to this discussion paper, is also welcomed.

In addition to expressing general support, specific comments in response to the discussion paper are outlined below;

Section 1.1.3 of the discussion paper indicates that the Victorian Government has addressed the need for more financial support for community projects through the provision of the New Energy Jobs Fund. This funding opportunity is welcomed and it is

acknowledged that creating jobs is important, particularly for regional communities. However, it is important to note that there is an unmet demand for community groups interested in establishing energy projects to access technical and strategic advice. Funding should be made available to assist with all aspects of project feasibility assessments, planning and development.

Appropriate mechanisms to support financing models for communities is recommended and the Victorian Government should facilitate the development of a finance options guide. This guide would provide proponents and stakeholders with a comprehensive overview of all available funding sources, models and mechanisms to ensure an appropriate option can be chosen, and assistance sought to facilitate implementation.

Section 2.1.1 should community renewable energy projects be defined differently to other types of energy generation projects?

- from a land use planning perspective, community renewable energy projects are not defined differently to other types of energy generation projects as the planning system is concerned with the use and development of the land. However, each project should be assessed on its merits as the definition of community and 'net community benefit' will need to be explored. Each project could potentially be funded through a range of sources, and could either be income generating or one that is simply providing base power to a community. Changes would be required to the Planning Scheme to ensure a streamlined process and planning officers would require additional information to enable each proposal to be appropriately assessed. Consideration of reduced fees is also a factor in any community proposal
- regardless of the outcome of this consultation and subsequent actions taken by the Victorian Government, it is of utmost importance that the adopted definition and all associated potential implications (positive and negative) are documented and clearly communicated to the community. Clarity of roles and responsibilities within the climate change and energy arenas has been a significant barrier to progress in the past. Providing clear definitions will assist in addressing this issue with respect to community renewable energy projects

Section 2.1.2 if so, what should the definition address?

The definition of community renewable energy projects needs to remain flexible enough to account for the various forms that these projects may take and the numerous stakeholders that may be involved. An example of this is the need to acknowledge limitations for project development in urban areas due to space and land use constraints. Given these constraints, there may be a need for community organisations to form partnerships or agreements with private industry to access land or roof space to achieve their project objectives. The definition of community renewable energy projects should not be written in a manner that would penalise or exclude these community projects from any benefits that may be available to those that fit the definition more closely.

Section 3.1.3 should the payment-in-lieu-of-rates (PiLoR) methodology be updated?

- Hobsons Bay City Council currently uses the PiLoR methodology for an agreement with a local generator. The methodology has been applied since a previous ten year agreement lapsed in 2014. It is now seen that the variability in payments can be quite severe depending upon the operational capacity of the generator. This does not provide the certainty desired for financial forecasting and management
- previously it appears that 'power stations' or generator sites were seen to be difficult to value and that the PiLoR methodology may have been an easier alternative. These sites are now being, or have been, valued for the purpose of charging the Fire Services Levy and there is no reason to suggest why they should now be treated differently to any other rated property
- in an urban context, the likely sources of renewable energy will be relatively small scale due to land availability and surrounding land use. By applying the PiLoR methodology to such generation sources, it is effectively penalising, or providing a disincentive to clean energy generators. This will likely have a negative impact on the establishment of community renewable energy projects and small scale embedded renewable energy. This is not seen to support the Victorian Government's renewable energy and greenhouse gas emission reduction targets. A different methodology or approach should be developed to facilitate greater investment in renewable energy and to lead the decarbonisation of the energy supply network

Section 4.1.7 should wind farms continue to be prohibited in the areas listed in Table 1?

The exclusion zone for RAMSAR¹ protected wetlands should be retained. It is considered possible that wind turbines present a hazard for some birds, particularly the Orange Bellied Parrot. The Orange Bellied Parrot frequents the Western Treatment Plant in Werribee and has suitable habitat along the Western Shoreline RAMSAR site.

Additionally, people visit wetlands and national parks to experience the natural environment and amenity. The visual presentation of wind turbines and associated operational noise may be perceived by some to detract from the amenity of a site.

¹ The Ramsar Convention is an international treaty for the conservation and sustainable use of wetlands.

