



## Clean Energy Finance Package – Expert Review

### Submission from Renewable Newstead

Newstead is a small community of about 750 residents in central Victoria. Over the past two years we have worked steadily and passionately towards establishment of a renewable energy asset for our community.

Renewable Newstead commenced in June 2010 as a partnership between the Newstead community and the Central Victorian Solar City (CVSC) project. Since then a number of significant initiatives have been completed and evaluated, establishing the foundation for the next phase of the project. At the outset we suggested ...

*Imagine an entire town running on renewable energy*

*Then imagine that town being ours.*

Newstead is aiming to be the first Australian town to run on 100% renewable energy. It will become a town where people talk and think about energy and where understanding of our usage and our energy options become widespread in the community.

In achieving this vision Renewable Newstead aims to bring multiple benefits for Newstead and district including a cleaner local environment, education and employment opportunities, and a buffer against future energy shocks. We are looking for energy solutions that are viable, cost effective and strengthen our community, and we want to have fun along the way with community celebrations of our achievements.

At the commencement of the project we set a target of 200 Home Energy Assessments. At the 8<sup>th</sup> October 2011 170 HEAs and 8 Business Energy Assessments have been completed with a further 30-40 on a waiting list. The project is on track to reach the original target, a very significant achievement which is believed to represent the highest proportion of any community in Australia. Central to the success of has been the effective collaboration between a local community engagement worker and the CVSC project. This has demonstrated that a local engagement model can be extremely cost-effective in gaining participation and support for renewable energy projects.

Renewable Newstead and CVSC engaged Crockford-McCartney Pty Ltd early in 2011 to undertake a feasibility study to explore the transition of the Newstead community towards zero net emissions on its stationary energy needs. The study was finalized in September 2011. Below is a summary of the broad conclusions of the study:

- The task is manageable but not inconsequential.
- Household sector initiatives can contribute to the solution and make financial sense, providing a better financial return than generation projects, based on current market parameters.
- Further works are required to evaluate various generation projects. Positioning of such projects and their agreements around the sale of power are critical to their financial viability.

- Subsidisation as a policy trial for government may be an option whilst we operate in a marketplace where there is little or no recognition for the benefits of generation at distribution level.
- Further work is required to develop a sequestration project augmented by a community woodlot.
- All these initiatives are likely to become more attractive if power prices rise higher than our estimates over the project period

Renewable Newstead also conducted a survey in Newstead in August-September 2011. The purpose of the survey was to find out what Newstead & district residents think about energy. A total of 74 people responded to the survey, with six of these completed online. The survey was voluntary and anonymous. Some of the key findings of the survey were:

- Over half of all respondents were very interested (41%) or extremely interested (21%) in spending money on their home to make it more energy efficient. Another 26% were moderately interested.
- When asked to nominate an amount to spend on this, 54% said they would spend more than \$2,000, and 20% nominated a spend between \$1,000-\$2,000. However, of those extremely interested in spending money on home energy efficiency, 93% indicated that they would spend more than \$2,000 on these improvements. 57% of those very interested would also spend this amount. Of those extremely and very interested in investing in a renewable energy project in Newstead, most nominated they would invest between \$1,000 to \$5,000.
- The majority of respondents supported investing in both community-owned (e.g. solar park or wind farm) and home-based (e.g. solar panels on a house roof) renewable energy resources if the return on the investment was the same. When asked to what extent do you support or oppose the proposal for Newstead to become one hundred per cent renewable by building an electricity generator that uses renewable energy sources, 59% strongly supported and 39% supported this proposition. Only 1.4% strongly opposed it. Most respondents supported the building of an energy generator using renewable energy within Newstead district.
- The statement that most resonated with respondents was that the '100% Renewable Newstead will show that small towns can produce great projects and inspire other towns to take on other similar challenges'.

The findings from our work to date strongly support undertaking the next phase of the project. In particular they provide confidence that our community is strongly supportive of the aims of Renewable Newstead, value the achievements made so far and are willing to invest in a future renewable energy infrastructure. The Newstead Feasibility Study underscores the fact that such an endeavour is not without significant challenges and that we will need more than an enthusiastic and supportive community to realise our vision.

In summary we have resolved as a community to pursue the development of a small-medium scale solar PV asset, either aggregated (e.g. Solar Park) or distributed within our community. Community ownership of renewable energy facilities has been integral to the broad acceptance of clean energy technologies in other jurisdictions. A host of countries including the UK, USA, Germany, Canada and Denmark have significant community ownership of renewable energy infrastructure and the recent success of Hepburn Wind demonstrates that this model can work in Australia as well.

We feel that it will be important that the design of the CEFC can support initiatives at a range of scales including models such as that being explored by Renewable Newstead. Local community based initiatives can be:

- Scaled to the community's own energy requirements
- Predominantly funded and controlled by the community
- Operated to help financial benefits remain in the local community
- Welcomed by the community
- Accountable to the community
- Built and managed to create local jobs

Most importantly, community power projects have economic, environmental and social benefits that can complement large-scale commercial renewable energy developments

We thank you for providing this opportunity to contribute our views and look forward to the next steps in this important national initiative.

Yours truly

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