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To the CEFC Secretariat: cefc@treasury.gov.au

Submission to the Clean Energy Finance Corporation
by
Sustainable Living Armidale, Inc.

CEFC's Role: Although the Clean Energy Finance Corporation is intended to be commercially oriented and to make a positive return on its investments, projects need to be prioritised by the costs and benefits to the community and by the size of the projected reduction in emissions.

This can be illustrated using information in the just-released consultation document: ACT's Draft Climate Change Action Plan 2, "Weathering the Change". The ACT proposes to reduce per person emissions to 40% below 1990 levels by 2020, with accelerated reductions in following decades. Improving energy efficiency of buildings is projected to reduce emissions by 2,233 kt, with estimated savings of \$20 in reduced energy costs for every kt of reduced emissions. Sustainable transport is projected to reduce emissions by 1,238 kt and sustainable waste by 719 kt. In all cases the reductions in energy costs are substantially greater than the implementation costs.

Implementation of similar schemes Australia-wide would result in the greatest reduction in emissions for the least cost. A potential role for the CEFC would be to work with other organisations that would be prepared to determine needs, offer advice, administer and manage such loans. A possible model is Vancouver's 'Greenest City' Home Energy Loans Program - <http://vancouver.ca/greenestcity/energyloan/>. Parallel schemes would need to address energy efficiency of commercial buildings, sustainable transport and sustainable waste.

To date, the track record for administering Australian Green Loans schemes has been somewhat unfortunate. The problem is not lack of need, nor lack of major benefits that could be achieved by successfully implemented schemes, but the need for effective quality control and administration. The CEFC should therefore work with other organisations with the expertise to provide the high level of quality control and administration required for successful implementation of schemes to generate the desired reductions in energy use and cost savings. Canberra's proposed energy-saving schemes, together with Vancouver's proposed home energy loans scheme, could serve as role models of how partner organisations could operate such schemes (e.g. state and local governments, community organisations, or private partners).

Support for community projects: we urge you specifically to include support for community projects and not rule out small-scale projects by setting a minimal investment amount. These local, community owned projects frequently need seed money or investment guarantees to provide enough confidence to raise needed funds. Diversification of energy generation is important not only because distributive energy has technical benefits but also

because more localised community involvement will help support rural, as well as urban, economies.

A local example: we have participated, as a partner, in a feasibility study to install a community owned wind farm in New England. Without a power purchase agreement, which is probably impossible to get before construction commences, it is difficult to raise adequate funding without government support. The benefits of such a project are numerous: widespread education about wind generation and its appropriate application in New England; a source of local jobs and training both in construction and maintenance; retention of income in the region rather than overseas (as is the case with most large scale installations); a commitment to source materials regionally where possible, or at least in Australia; and most importantly, a widespread community desire to create our own energy and to decrease our demand by focusing on energy efficiency. Small scale, community projects contribute to the benefits of a widespread distributive system that is Australian owned, operated and understood.

The wind farm is envisaged as the first stage in creating regional energy self-sufficiency. If successful, as we envisage it can be, it will provide funding and community support for further projects. So, while initial grant support will be invaluable, we don't envisage the need for continual support.

Local council projects: there are many potential small and mid-scale renewable energy projects that would benefit local councils. The NSW Office of Environment and Heritage has collated over 20 mid-scale projects for the 13 local government areas in New England North West, which would together allow this region to become a model for energy sustainability. The projects range from small hydro and cogeneration to a sophisticated audit of energy use and consequent recommendations for efficiencies to be carried out by the University of Technology Institute for Sustainable Futures. The suite of projects could be implemented for under \$1m and would provide significant long-term benefit for northern NSW. The Armidale Council, for example, has proposed a small hydro scheme below Malpas dam to provide energy to run our city's water purification plant.

The proposed Armidale library is a perfect example of a building suitable for photo voltaic energy generation because it is used almost exclusively in daylight hours and will have an excellent, north facing roof with no obstructions. Minimal financial support would be a symbol of the importance of energy self-sufficiency in new public buildings and would help kick-start local contributions.

Large-scale projects: We realise the financial benefits of large-scale projects but they come with some costs. In funding projects, we think it is important to consider who benefits, rather than simply asking how we can get the most renewable energy. Questions like: where does the money go? Who gets jobs? What is the impact on local manufacturing and on regional economies? What is the impact on energy demand? What are the emissions from the embedded energy or extraction and transport. Does it have a valuable educational component? Does it help to lower the need for increased base-load power? Is it the best technology for the proposed climate/geography/community.

Summary: In closing, we again urge you to consider including small-scale, community owned projects as part of the mix you foster. A well-designed Clean Energy Finance Corporation

should support a broad range of projects with significant community support and associated social benefits. We anticipate the greatest benefit of the Clean Energy Acts is that finally Australians can anticipate a coherent, on-going policy that is fair and effective and also benefits local communities. Your role in making this a reality is essential.

Who we are: SLA (Sustainable Living Armidale, a Transition Initiative) is a broad community group, established in 2006 following the inaugural Sustainable Living Expo in Armidale, NSW, in response to the challenges of Climate Change and Peak Oil. We hold monthly public meetings drawing on the breadth of knowledge within Armidale, hold film viewings with discussions, hold a monthly information stall in the mall as well as dividing into interest groups -- food, energy, transport, education, community -- to promote local initiatives. This submission has been written by our Energy Subgroup, a group committed to decreasing local energy use through efficiency, design and behavioural changes but also to decreasing our reliance on fossil fuels and on distant power generation.

Patsy Asch for SLA's Energy Subgroup
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