
\$117 MILLION
Dedicated Line Item

TOTAL PROJECT COST	\$117 MILLION to 2023-24
LIFETIME PROJECT COST	\$467 MILLION OVER TEN YEARS
OPEN TO CO-FUND	POSSIBLE TO CO-FUND WITH STATES
PROJECT READINESS	1 st JULY 2021
PORTFOLIOS	Energy and Emissions Reduction

PROJECT DESCRIPTION

The Australian Local Power Agency (ALPA) is a proposed new Commonwealth corporate entity designed to support the development of community energy in regional Australia.

Renewables are booming in regional Australia, but everyday people and local communities are not always seeing the full benefits of those projects in terms of local jobs, procurement, skills development and new sources of income.

ALPA would address this problem by providing a dedicated focus on developing community energy projects and ensuring regional communities share in the benefits of renewable energy. It would sit alongside ARENA and the CEFC to administer direct financial, technical and investment support through three key schemes.

First, the Local Power Scheme will establish 50 Local Power Hubs across regional Australia to support communities to develop their own renewable energy projects. Each Hub will provide technical and project support to community energy groups, and work with them to access a new \$310 million Local Power Fund to provide strategic development capital.

Over 10 years, this would catalyse thousands of small-scale projects across Australia. The 50 hubs will receive \$500,000 a year for five years; if communities want their hubs to endure beyond then, they will need to develop self-financing mechanisms from the successful projects they deliver in the first 5 years of operation.

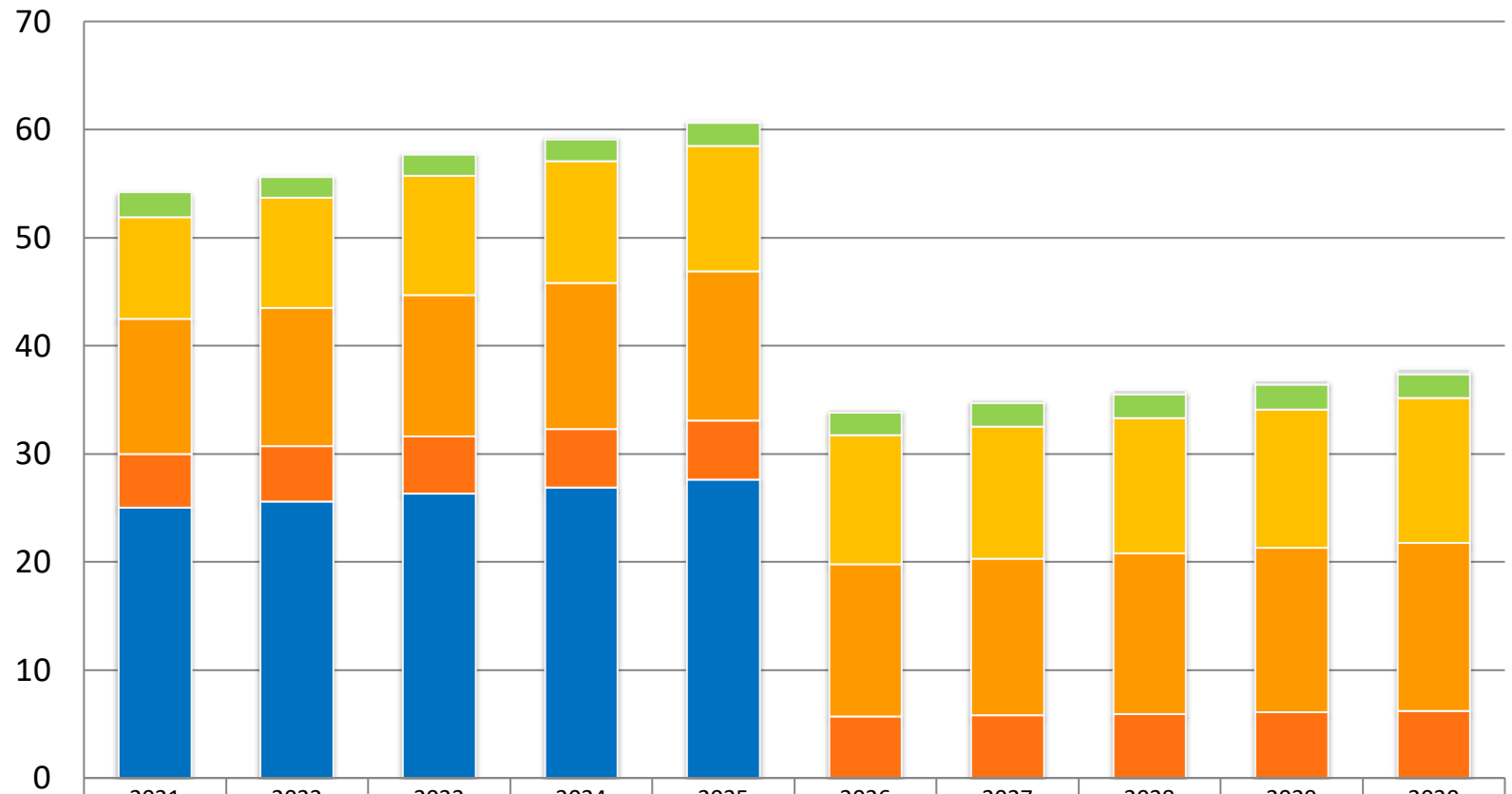
Second, the Underwriting New Community Investment scheme will provide financial certainty to new mid-scale energy generation and storage projects (1-10MW) that are at least 51% community-owned. The UNCI scheme will operate as a sister scheme to the Government's Underwriting New Generation Investment (UNGI) Scheme, entering contracts with generators to procure up to 10,000 GWh of community-owned energy per year, around 3% of Australia's total electricity generation.

Third, the Community Renewable Investment Scheme (CRIS) will implement a new requirement for any new large-scale renewable developments in Australia to enable local communities to purchase 20% of the project equity. If local communities decline to purchase equity, projects can proceed as normal. The CRIS is modelled on the system that has successfully operated in Denmark since 2008. Its community co-investment model has been adopted by some large-scale renewable projects in Australia like the Sapphire Wind Farm in New England, NSW.

The total cost of establishing ALPA and administering these schemes is \$467m over 10 years (full costing detailed by the PBO). A 2019 Sustainability Victoria evaluation of a similar pilot program run by the Victorian Government found that program delivered a 13-to-1 return on Government investment, indicating a possible \$4 billion increase in economic activity in regional Australia as a result of the investment in ALPA.

Cost of Australian Local Power Agency

Impact on the Underlying Cash Balance, 2021-2030. Source: PBO Costing.



Public Debt Interest		0.1	0.1	0.2	0.2	0.3	0.3	0.4	0.4	0.5
Australian Local Power Agency	2.3	1.9	2.0	2.0	2.1	2.1	2.2	2.2	2.3	2.2
Development Loans	9.4	10.2	11.0	11.3	11.6	11.9	12.2	12.5	12.8	13.4
Enablement Grants	12.5	12.8	13.1	13.5	13.8	14.1	14.5	14.9	15.2	15.5
Seed Grants	5.0	5.1	5.3	5.4	5.5	5.7	5.8	5.9	6.1	6.2
Local Power Hubs	25.0	25.6	26.3	26.9	27.6					