



FREQUENTLY ASKED QUESTIONS

Pilot Community Power Hubs

Enabling community-owned renewable energy

What are Pilot Community Power Hubs?

The pilot Community Power Hub (CPH) aims to support Victorian communities to access the skills and expertise required to develop and deliver community-based renewable energy projects, characterised by local ownership, participation and benefit sharing.

The pilot CPH will be hosted by a local not-for-profit or a social enterprise organisation that works to coordinate and facilitate the development and expansion of community energy in a geographic area, while helping to build capacity and skills. There will be a pilot CPH located in the Ballarat, Bendigo and Latrobe Valley geographic areas. The Latrobe Valley is a geographic area that takes in municipalities of BawBaw, Latrobe and Wellington.

Stakeholders with motivation to expand community energy in Victoria including non-government organisations, local governments, renewable energy developers, businesses, schools, State Government departments and agencies, as well as community members will be suitable to be part of the pilot CPH.

The pilot CPH will be directly supported by a Sustainability Victoria team member during their establishment and pilot development.

What is Community Energy?

Community-owned renewable energy or community energy (CE) refers to projects where a community group initiates, develops, operates and benefits from a renewable energy resource or energy efficiency initiative. CE groups and projects are already well established internationally and developing rapidly in Australia.

Community groups are formed based on a common interest or geographical region such as a town or suburb. The technologies utilised cover a range of renewable energy types including wind, solar, biomass, energy storage and mini-hydro.

The community energy projects can be;

- › Supply side of energy – renewable energy installation and storage for residential, businesses, community and council buildings
- › Demand side of energy – improving the energy efficiency and demand management of residential, businesses, community and council buildings
- › Selling and distributing energy within the community.

Further detail about community energy in Victoria can be sourced from the Guide to Community-Owned Renewable Energy for Victorians (<http://delwp.vic.gov.au/energy/renewable-energy/community-energy>)

What is a Community Energy Project?

Community energy projects have characteristics that are unique to each community.

It involves:

- › a community organisation to lead the project, or partner with a developer or both
- › a community organisation to share decision-making responsibility for developing and operating the project
- › the project to share the financial benefits with the local community
- › the scale of the project to suit the community and local environment
- › the project to harness the skills and capital of the community
- › a community organisation to own a portion of the project and possibly control and manage the investment vehicle.

Examples include;

- › The pilot Community Power Hub (CPH) promotes a fundraising campaign to raise funds from the local community to install a small 4 kW solar PV on its local school (40 pupils). A portion of 25 per cent of all energy produced by the system will be exported, resulting in around \$1,000 of savings on their energy bill annually, for the lifecycle of the solar array. Savings on energy will be reinvested into environmental activities and works in the school and community.
- › The pilot CPH assists a local community group to coordinate a bulk buy for householders and businesses of renewable energy (solar hot water, solar PV) and energy efficiency upgrades using local suppliers for installation in the local town.
- › The pilot CPH assists a community group to work with their relevant council to fund, install and maintain 40KW solar PV on the new entertainment centre. The local council enters into a 10 year 'power-purchase agreement' to pay the community group an agreed value for the electricity generated and consumed by the centre. The group uses the funds to support other community projects.
- › The pilot CPH works with a local community group who collaborates to fund and deliver solar PV, storage, heat pump, LEDs within aged care facilities, rooming houses and apartments in the social housing sector.
- › A pilot CPH investigates the establishment of a not for profit cooperative that retails electricity to supply lower cost energy to the local community and other participant groups, from renewable energy sources.
- › The pilot CPH will develop a model of community finance with the bank that will help other community enterprises to develop viable, up-scaled renewable energy projects.
- › The pilot CPH works with a local community to develop a 100% renewable plan for their town.
- › The pilot CPH works to establish a model for low-income communities and councils to implement bulk buying schemes and Environmental Upgrade Agreement mechanisms for home owners with a concession card and community housing providers.
- › The pilot CPH works with a community organisation to provide energy literacy and financial counselling to vulnerable households experiencing financial hardship related to energy costs, including retrofit services.
- › The pilot CPH works with large scale renewable energy developers to co-design a community investment offer and benefit sharing model for a large scale wind and solar farm.

Who would host the Pilot Community Power Hub?

An established organisation with appropriate governance and financial processes, insurance and office space that can be used, or are able to co-partner with another organisation that can offer some services to compliment the application. To be eligible for funding for a pilot Community Power Hub (CPH), applicants must be physically located or have an on the ground presence in the regional area of the pilot. They need to demonstrate a strong and diverse local network of relevant supporters.

To be eligible for funding for a pilot CPH, applicants must:

- › be a legal entity (excluding individuals), such as: not-for-profit (for example, charity, community group) or social enterprises
- › have a valid Australian Business Number (ABN) or an ABN exemption statement
- › be financially viable
- › have been operating for at least 24 months
- › have not had any Environment Protection Authority or Victorian WorkCover Authority violations in the past five years
- › be able to demonstrate the capacity to implement the project in their location within the agreed timeframe
- › agree to comply with Sustainability Victoria's funding agreement terms and conditions
- › have the appropriate insurance, or the intention to undertake obtaining this.
- › demonstrated evidence that support exists for their application as a pilot CPH host in the local community such as (but not limited to) councils, water authorities, Non Government Organisation's and community groups, relevant businesses and networks.

What if I am not located in one of the pilot locations?

You can stay involved with how the programs progress by being in contact with your local Sustainability Victoria (SV) Regional Coordinator. There may be future opportunities for you to participate in activities being coordinated by the pilot Community Power Hub (CPH) and SV. When the pilot CPH are operating, you can register to keep informed via their communication channels.

Our community group is close to one of the pilot locations – can we apply to be or host, or be part of the hub?

You will not be eligible to be the host if you are not based in the Ballarat, Bendigo or Latrobe Valley areas, however you may be able to be a member of the pilot Community Power Hub if you are located within the regional catchment area.

What will Pilot Community Power Hubs do?

The pilot Community Power Hubs (CPH) will be expected to;

- › Establish suitable governance and planning to enable Community Energy (CE) to progress and grow into the future in that area
- › Establish themselves as leaders, advocates and facilitators of community energy in their area
- › Connect and collaborate with relevant stakeholders to progress CE
- › Network with other CPH in Victoria and across Australia.
- › Support local CE interest and potential in the areas of renewable energy, storage and energy efficiency
- › Access and connect support services, assistance and information to progress CE projects from concept to business case stages
- › Oversee commencement of at least one flagship CE project, and have developed three additional pipeline CE projects
- › Establish a CE hub plan to facilitate self-sustaining presence.

How will they do it?

The pilot Community Power Hubs (CPH) will connect and collaborate with the community energy sector (eg. C4CE, Embark, ATA, MEFL, CPA), Local Governments, State Government, Community organisations, Business and Industry.

They will receive and utilise resources to deliver a sound governance structure, a strategic plan for their continued operation, and develop and deliver a pipeline of community energy projects.

They will connect to other pilot CPH and the broader community energy sector to share learnings and provide collegiate support.

What will they deliver?

The creation of the pilot Community Power Hub (CPH) will provide a mechanism for community groups to access the required skills and services to progress their projects to 'fund ready' status. It is envisaged that over time, the number of community-owned renewable energy projects that are implemented will increase significantly in the mid to long-term, in each of the pilot CPH locations.

Each pilot CPH will:

- › be made up of a network of stakeholders (members) collaborating to deliver physical community energy (CE) projects and overcome barriers that limit wider participation
- › develop a framework for CE projects and ensure that learnings from each pilot CPH and each project (whether successful or unsuccessful) are captured and the knowledge retained
- › form a community of practice on the development of CE projects and share the knowledge between the Hubs
- › deliver a minimum of one operational project during the pilot's term (by June 2019) and also commence the development of further CE projects.

How were the three Pilot Community Power Hub locations selected?

The three pilot Community Power Hubs are located within regional centres that are experiencing strong population growth – Ballarat and Bendigo are forecast to double their populations in the next 30 years and Latrobe Valley is made up of three municipalities with significant populations and growth. These locations and the surrounding areas represent a range of geographic, climatic and demographic diversity. They each have a range of active community based sustainability groups already operating in their area and each region has particular expertise in the electricity generation field both in the commercial and community sectors. These areas also have a proven appetite for expanding community energy projects across a range of technologies.

What resourcing will the Pilot Community Power Hubs receive and over what period?

Grants of up to \$110,000 a year over a period of two years are available for the delivery of each of the pilot Community Power Hubs. Additional funding may be made available on a case by case basis at the discretion of Sustainability Victoria.

What are the timelines?

Host applicants will have approximately five weeks to apply to act as the lead organisation for the pilot Community Power Hub. Assessment of applications will be concluded approximately one month after applications close. It is anticipated that funding agreements will be executed within one month from the date of the Letter of Offer.

Applications Open	12th April 2017
Applications Close	2 pm, 19th May 2017
Assessment and Approval	May 2017
Successful Applicants Notified	June 2017
Announcement of Successful Projects	To be confirmed
First Community Power Hub kick off meeting commences	To be confirmed
Completion of Projects	June 2019

Why is the Victorian Government funding this?

The Victorian Government has committed over a two year period to develop and deliver a pilot Community Power Hub in the three pilot locations across the State.

Evidence from the Victorian Government's New Energy Jobs Fund Program and the Coalition for Community Energy, shows that public interest in community energy projects has significantly increased in recent years and that this trend is set to continue. This suggests communities want greater control over their energy and costs as well as minimising their climate change impact, while being able to participate in leading edge technology and innovation as part of the sharing economy. There are many existing groups with community energy ideas that need assistance to move these projects to 'fund ready' status.

What can the pilot Community Power Hubs use grant funding for?

The financial resources will provide start-up funding to three pilot Community Power Hub's (CPH), helping to create community energy projects with viable business models for state-wide adaptation. The allocation of the funding will be stipulated in the contractual arrangements.

This start-up funding can be utilised for

- › Payment of salaries related to the development of the pilot CPH and the delivery of its agreed activities.
- › Contracting services relating to Community Energy (CE) Activities, such as technical studies, legal advice, financial modelling that relate to the CE projects facilitated by the pilot CPH.
- › Community Engagement activities and promotions relating to the pilot CPH activities and projects.

How and when will funding applications be assessed?

Applications will be assessed against the assessment criteria outlined in the Guidelines. The time between receipt, assessment and decision will be subject to a variety of factors including the number and quality of applications received. Applicants will be updated about the status of their application as soon as possible.

When will I know the outcome of my application?

Sustainability Victoria will provide applicants with updates about the progress of their applications as promptly as possible, but is unable to provide a definite approval/announcement date. We thank you for your cooperation and understanding on this and will endeavour to advise you if there are any unforeseen delays.

Can Sustainability Victoria review a draft of my grant application?

No, this being a competitive process, we are unable to review a draft or provide feedback on the potential merit of a submission.