



## Energy White Paper 2014 – Issues Paper submission template

### Details of person making the submission

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### Confidentiality

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| <input type="checkbox"/> | <b>Submissions may be published on the Department of Industry website.<br/>If you do not wish to have your submission made public, please tick the box.</b> |
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Issues for comment are listed against each of the Chapter Headings. In making your submission, you are welcome to make comment against some or all of issues in the fields provided. A field for general comments is provided at the end of the template.

## 1. The Security of Energy Supplies

The Government seeks comment on:

- ways community expectations can be better understood and reflected in reliability standards;
- the value of developing fuel reserves to meet Australia's international oil security obligations, and augment domestic security;
- ways to increase new gas sources to meet demand and measures to enhance transparency in market conditions; and
- issues relating to the regulation of energy infrastructure.

**Please provide any comments on The Security of Energy Supplies below:**

**- Community expectations could be better understood by improving energy literacy in both business and residential sectors. This industry is very complex, and communities are not well equipped to contribute in a positive way to address security of energy supplies and key matters such as energy demand management.**

**- Security of energy supplies must be focussed on long term sustainable energy, not short term fossil fuel energy. Renewable energy supplies must form a key component of our nations energy supply.**

**- Policy around 'moving' electricity needs to be reviewed. Appropriate pricing structures need to be implemented for customers to use the existing infrastructure at a reasonable price to move electricity. If the prices are unreasonable, this will promote advancement of methods of storage, which will negatively effect centralised energy production in the longer term.**

## 2. Regulatory Reform and Role of Government

The Government seeks comment on:

- priority issues, barriers or gaps within the COAG energy market reform agenda;
- possible approaches and impacts of review of tariff structures including fixed network costs, further time-of-use based electricity tariffs and the use of smart meters;
- possible measures to promote greater price transparency in gas markets; and
- areas where further privatisation of government-owned assets would contribute to more effective regulatory frameworks and better outcomes for consumers.

**Please provide any comments on Regulatory Reform and Role of Government below:**

**Lismore City Council supports the need for a review of policy in relation to 'Virtual Net Metering' to resolve the current barriers that are delaying the implementation of renewable energy technologies in our region.**

**The issue of moving electricity generated from one site to another site owned by the same account holder (even if the site is adjoining and is the one legal entity) has proven to be a barrier to use of renewable energy technologies by our Council and many other organisations in our region. For example, Lismore City Council recently investigated the feasibility of generating energy at one of our sites in order to power that site and the neighbouring high use site. The option of generating the electricity at one site and moving on to the adjoining site was extremely cost effective for Council and resolved a number of site constraint issues. However, this option was not possible due to the Australian Standards for Wiring Rules (AS/NZS3000) and the NSW Service and Installation Rules that state that Electrical Installations may have only one point of supply, and that one installation cannot be**

'mixed' with another. Another option was to convert the whole site to a High Voltage site, but this requires additional infrastructure and would be costly in terms of initial set-up and on-going obligations.

Lack of appropriate pricing structures has led to barriers that currently result in no advancement of this issue.

To move the electricity, 'wheeling', would require 'virtual net metering' (VNM), and the advice from Essential Energy was that while they support the 'concept' of VNM the existing market rules, structure, and market data requirements do not support it. It would require a rule change, which can be a very long term process.

### 3. Growth and Investment

The Government seeks comment on:

- commercial or market initiatives that could enhance growth and investment in the energy and resources sectors;
- areas where approvals processes could be further streamlined while maintaining proper environmental and social safeguards;
- further ways that regulatory burdens could be reduced while maintaining appropriate levels of disclosure and transparency in energy markets; and
- the impacts of variable land access policy and ways the community could be better informed and engaged on development in the energy sector.

**Please provide any comments on Growth and Investment below:**

- The 'Community Solar Farm' model is an excellent example of how communities can build capacity in the renewable energy industry. The basic model is that a host (a medium to large organisation) provides the space to install a large scale solar farm owned by a group of community investors. The host agrees to purchase the electricity for a set price for a set number of years - the solar farm owners (the community investors) get a ROI better than bank. This model builds community capacity in renewable energy industry, improves community education, promotes the renewable energy industry and there are significant local economic multipliers. Barriers to this model are lack of reasonable feed-in tariffs, and policies in relation to virtual net metering.

- Moving electricity, 'wheeling', requires 'virtual net metering' (VNM), and the existing market rules, structure, and market data requirements do not support it. This is a considerable barrier to renewable energy developments, LCC supports the need for review of policy in relation to VNM.

- Significant work has already been undertaken in the Northern Rivers to develop small to medium scale renewable energy projects, some of which are already in operation, others of which have already attracted substantial financial investment from the community, but are stalled due to regulatory barriers, and still more which are currently under development.

- Bio-energy has been identified as an important component of long term energy supply in this region and to the extent that the region can reduce its reliance on coal fired power imported from the Hunter Valley; this will increase energy security in both regions. LCC supports the need for the government to prioritise further investment assistance in the renewable energy technologies.

## 4. Trade and International Relations

The Government seeks comment on:

- how to grow the export of value-added energy products and services;
- ways to remove unnecessary barriers to continued foreign investment in Australia's energy sector;
- ways to strengthen support for access to export markets; and
- ways to support business to maximise export opportunities for Australia's energy commodities, products, technologies and services, including the value of Australia's participation in the variety of international forums.

Please provide any comments on Trade and International Relations below:

## 5. Workforce Productivity

The Government seeks comment on:

- the nature of any current skills shortages being experienced and how these could be addressed by and with industry;
- the capacity of industry and education sector-led programs to meet long-term training and skills development needs of the energy and resources sectors; and
- specific long-term training and skills development needs for alternative transport fuel, renewable energy, energy management and other clean energy industries.

Please provide any comments on Workforce Productivity below:

**The Sustain Northern Rivers Energy Working Group commissioned the report "Skills for a Sustainable Energy Future". The report sought to identify the current and future skills required to achieve a sustainable energy future in the NSW Northern Rivers and address the gaps in education and training. The report identified that there was a general lack of energy literacy amongst the public and in the workforce; a lack of understanding of career possibilities in renewable energy. Energy efficiency and solar will play a significant role in a sustainable energy future for the North Coast, the current number of skilled professionals will not be sufficient; no incentives for builders and electricians to implement sustainable solutions and a lack of appropriate VET and University resources to address the future skills needs. Some of the recommendations to address these issues were:**

- **Create bioenergy training programs at vocational and higher educational levels, which include placements in bioenergy facilities**
- **Skills related to energy efficiency and solar technologies should be embedded into the base training for relevant professions such as builders, tradespeople, designers and facilities managers**
- **Develop a 'smart' energy strategy, bringing together a broad range of relevant stakeholders, and**

liaise with NBN Co to ensure the NBN roll out and skills strategy is complementary

- Establish a smart grid/ sustainable energy training centre to give learners hands-on access to smart appliances and other relevant technologies
- Target training to meet the needs (and demand) generated by the introduction of mandatory disclosure of building energy performance.
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- Better articulate career pathways in the areas of key skills gaps.

## 6. Driving Energy Productivity

The Government seeks comment on:

- the current suite of energy efficiency measures, ways these could be enhanced to provide greater energy efficiency or possible new measures that would enhance energy productivity;
- the use of demand-side participation measures to encourage energy productivity and reduce peak energy use; and
- measures to increase energy use efficiency in the transport sector.

**Please provide any comments on Driving Energy Productivity below:**

**- There is a need to review current building codes and regulations to ensure that energy efficient designs are mandatory and adequate. The current regulations are not adequate, or contemporary, and new buildings are still routinely being poorly designed and built. Owners are left with costly retrofitting to try and reduce energy costs. Building projects should be required to meet more stringent energy efficiency objectives.**

**- LCC supports continued govt incentives for lighting, heating/cooling and solar hot water retrofits in homes and businesses.**

**- Improved electricity literacy - provide learning support for organisations in understanding electricity billing, and demand reduction.**

## 7. Alternative and Emerging Energy Sources and Technology

The Government seeks comment on:

- ways to encourage a lower emissions energy supply that avoids market distortion or causes increased energy prices;
- the need to review existing network tariff structures in the face of rapidly growing deployment of grid-backed-up distributed energy systems, to ensure proper distribution of costs;
- additional cost-effective means, beyond current mandatory targets and grants, to encourage further development of renewable and other alternative energy sources and their effective integration within the wider energy market;
- how the uptake of high efficiency low emissions intensity electricity generation can be progressed;
- any barriers to increased uptake of LPG in private and commercial vehicles and CNG and LNG in the heavy vehicle fleet; and
- any barriers to the increased uptake of electric vehicles and advanced biofuels.

**Please provide any comments on Alternative and Emerging Energy Sources and Technology below:**

- a review of tariffs, & pricing structures will encourage more use of large scale solar farms. Barriers to large scale solar power production are lack of reasonable feed-in tariffs, and policies in relation to virtual net metering.  
- in our region the barriers to uptake of electric vehicles include: lack of charging stations, distances travelled as our region is across a large land area, confidence in the technology - is electric lower in emissions than fuel, lack of mechanical services in this area.

## General Comments

**Any further comments?**

Thank you for the opportunity to provide comment on the Energy White Paper Issues Paper.

- There is some concern that the Issues Paper does not mention renewable energy sources in relation to energy security, LCC believes that renewable energy must form a key component of Australia's future energy supply. We would like to recommend a key objective of this Paper is to develop long term strategies for reducing reliance on fossil fuels.

- LCC supports the need to review current policies to resolve the significant barriers small to medium businesses are experiencing to generate renewable energy. The current framework supports larger scale generators and suppliers. If this framework continues, and as technologies improve customers will find ways to disconnect from the grid, and become stand-alone rather than battle with the existing inflexibilities of being connected to the grid. This will create increased costs for grid customers and is not a desirable economic or environmental solution. An integrated approach is necessary, with long term goals to develop renewable energy technologies, review existing policies and regulation, while utilising existing infrastructure, and developing flexibility within the existing centralised framework.

