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26 November 2021

The Secretariat
Legislative Council Environment and Planning Committee
Parliament House, Spring Street
EAST MELBOURNE VIC 3002

Dear Secretariat

RE: Parliamentary Enquiry into Renewable Energy

Moreland City Council welcomes the opportunity to provide a submission to the Parliamentary Enquiry into Renewable Energy.

This feedback has been prepared by council officers on behalf of Moreland City Council ('Moreland') and is based on endorsed Council policy.

Moreland is proud of its record of developing and delivering innovative initiatives that help lead the way for the local government sector in Victoria and across Australia. Moreland encourages the Victorian Government to be bold and ambitious in its plans for a transition to 100 per cent renewable energy, whilst supporting an equitable and just transition for all. We commend the Victorian Government for the commitments made under the Victorian Renewable Energy Target, its energy sector pledge and for progressing the development of renewables to transition away from fossil fuels and towards a net zero economy.

Transitioning our energy system to renewable energy is an issue that is of critical importance to all Victorians. There is a significant opportunity for Victoria to position itself as a leader in the net zero economy, and thereby attract businesses, jobs, investment, and innovation. We would welcome the opportunity to share our insights, and to work with the state government on accelerating the transition.

If you need further information please contact Olivia Wright, Manager City Change on owright@moreland.vic.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Phil Priest'.

Phil Priest
(Acting) Director City Futures

Alignment with current Moreland Council policies

Moreland's Zero Carbon Moreland 2040 Framework sets out Council's vision for a zero carbon Moreland by 2040. Part of this vision is for homes and businesses to be powered only by renewable electricity, following a supported phase-out of gas. Given that the impacts of climate change are escalating, Council has resolved to review the Moreland Zero Carbon – 2040 Framework. This review aims to develop interim and more ambitious targets.

The ZCM 2040 Framework includes three strategic directions:

- Efficient and 100% renewable energy
- Active or zero emissions transport
- Circular economy with zero waste.

Council's Zero Carbon Moreland Climate Emergency Action Plan 2020 -2025 has more specific actions to address renewables including:

- Raising the standards of the Moreland Local Planning Policy Environmentally Sustainable Design (ESD) within the Moreland Planning Scheme. Electrification, renewable energy and transitioning development practices towards zero gas development are key elements of this project
- Assisting low income households and renters to overcome barriers to energy transition
- Partnering with others to advocate for and provide targeted support for low income and vulnerable households to avoid 'energy poverty' and be more comfortable in their homes during extreme weather
- Continuing to reduce Council's residual emissions and ensuring council builds highly energy efficient facilities, including onsite renewables and 'no new fossil gas'
- Supporting public access to renewably powered electric vehicle charging

In May 2021, Moreland became the first council in Australia to endorse the Fossil Fuel Non-Proliferation Treaty, reinforcing our commitment to phase out fossil fuels. The Fossil Fuel Non-Proliferation Treaty aims to stop the expansion and production of oil, gas and coal fossil fuels, in line with the Paris Agreement. At its November 2021 meeting, Council also resolved to call on the State Government to review its decision to approve drilling for fossil gas in the Otway Basin, next to the environmentally and culturally significant Twelve Apostles. Council noted that opening up new fossil fuel reserves including coal, oil and gas, is fundamentally incompatible with reaching our climate targets under the Paris Agreement - we cannot reduce our emissions if we are burning more fossil fuels. Council also supported a rapid phase out of gas from the state and national economy and condemned the expansion of new gas drilling and extraction.

Specific initiatives that Council is taking to transition to a Zero Carbon future, both with regards to its own operations and in supporting the community, are outlined in **Appendix 1**.

Recommendations

Moreland supports the recommendations in the Greenhouse Alliances submission to the Parliamentary Enquiry. We also propose the following specific recommendations for the Victoria Government below:

Targets

1. Set science-based emissions reduction targets for Victoria to achieve a 40–45 per cent reduction on 2005 emissions levels by 2025, and 65–75 per cent reduction on 2005 levels by 2030.
2. Increase the state renewable energy target to 80 - 100% by 2030. This will accelerate investment in the state, give clear direction to local governments, residents and businesses who are already playing a leading role in this transition, and build a renewable, clean energy economy in Victoria.

Distributors and energy market regulation

3. Work with Distributed Network Service Providers (DNSPs), the Australian Energy Regulator (AER) and the Australian Energy Market Operator (AEMO) to address network constraints and plan for a renewable future. It should be noted that solar export limits are becoming a disincentive for residents and businesses to install solar. Addressing network constraints will remove this disincentive and also accommodate increased electricity demand due to electrification of transport and heating. Network constraints are likely to be a key barrier to Victoria achieving its legislated targets under the Renewable Energy (Jobs and Investment) Act 2017 (REJI Act).
4. Encourage DNSPs to make the process of upgrading sub-stations more transparent and less costly for first-movers who transition sites from gas to all-electric.
5. Provide modelling on future gas prices to assist Councils in making informed decisions on capital investments to enable electrification,
6. Support changes to energy market regulations to support peer-to-peer trading and distributed generation and storage (e.g. differential feed in-tariffs for community owned energy resources, enabling virtual-net-metering and enabling community-owned retailers etc).
7. Require timely disclosure of aggregated real time data from electricity distribution businesses.

Standards, Regulations, and the Planning Scheme

8. Support and approve the Elevating ESD Targets Planning Policy Amendment Project that includes sought-after changes to ensure further uptake of electrification, renewable energy and gas-free development practices.
9. Introduce a robust ESD Policy for developments into the State Planning Policy Framework, including a minimum energy performance standard of at least 7-star NATHERS equivalent for new dwellings
10. Ensure that all new state infrastructure and public housing is designed and built to minimise emissions and withstand climate change impacts, and that existing infrastructure is retrofitted.
11. Introduce mandatory disclosure of energy performance for all buildings at sale or lease and mandate minimum energy efficiency performance standards for rental properties.

12. Provide additional funding to ensure all new social housing complies with minimum energy performance standards and addresses climate vulnerability among existing social/ public housing tenants.

Electric Vehicles

13. Actively support the accelerated transition to electric vehicles by developing a state-wide vision, strategy and plans, coordinated with both Federal and Local Governments. These should address the barriers to electric vehicle uptake including vehicle costs and incentives, and access to public charging infrastructure. EV charging should be encouraged through planning provisions for new developments, which could draw from the Council Alliance for a Sustainable Built Environment (CASBE) Elevating ESD Targets Planning Policy Amendment Project.

Knowledge, Training, Information Sharing and Myth-busting

14. Provide “myth busting” educational materials and good case studies of alternatives – e.g. induction cooktops are just as good (now) as gas cooktops.
15. Support Initiatives such as Electrify Everything, which demonstrates that all-electric homes are safe, healthy and part of a clean energy future (the guide can be downloaded here: <https://morelandzerocarbon.org.au/news/moreland-launches-new-electrify-everything-messaging-guide/>)
16. Continue the existing liaison between Local Government, DELWP and other State Government authorities, including working groups, to ensure a collaborative approach and knowledge-sharing. Support should be provided for projects with mutually beneficial outcomes.
17. Develop information resources and funded educations campaigns, ensuring that these reach people from all cultural and socio-economic backgrounds.
18. Provide education training for builders, architects, building designers and other building professionals, who provide advice to consumers. This initiative should specifically include training for plumbers and electricians in the installation of technologies such as heat pumps, draught proofing and insulation to reduce gas demand and improve thermal comfort.
19. Ensure that fuel switching and gas-free development requirements and standards are adopted within the revised ESD changes to the Victorian Government's Planning Framework (Action 80 of Plan Melbourne 2050).
20. Invest in energy efficiency in existing buildings and homes. It is a “no regrets” measure that reduces demand for heating, reduces bills and improves comfort.
21. Provide funding to local councils to remove gas from sites with high consumption, such as aquatic centres.
22. Utilise the findings and success of programs such as the Victorian Energy Smart, Healthy Homes and Energy Savvy Programs, and support the expansion of well-designed programs to provide financial and energy advice services for low income and households at risk of energy stress.
23. Utilise the findings of the Healthy Homes program to set standards to improve the thermal efficiency of new public and social housing. This will improve the health and wellbeing of residents as well as reduce their energy bill stress.
24. Continue to support community energy projects (such as Community Power Hubs, Neighbourhood Battery initiatives) either through grants or a specific allocation of the Victorian Renewable Energy Target.

25. Work with Resource Smart and local communities to invest in solar PV and battery installations on schools.

Gas

26. Ensure new buildings and urban renewal precincts are not locked into natural gas infrastructure and support communities to prepare for the transition away from natural gas.

27. Rule out new fossil fuel developments and extend the ban on unconventional onshore gas development to a complete ban of onshore and offshore gas.

28. Support communities in preparing for the next closure of a coal-fired power station in the Latrobe Valley as early as 2023, with industry and place-based (urban and regional) transition plans.

APPENDIX: Council and Community Actions to accelerate the transition to renewables

Council and the Moreland community are implementing a broad range of measures to reduce emissions and energy consumption, transition off gas, and accelerate our municipality to a renewable energy future. A significant and increasing number of local councils in Victoria and around Australia are also following this approach.

Key initiatives are described for Council and the Community in the sections below:

Zero Carbon Council

Moreland was one of the first councils in Australia to become Certified Carbon Neutral in December 2012. Moreland has continued to significantly reduce Council's carbon emissions, reducing its emissions by 70% (2019/20) from the baseline year of 2011. This reduction has been achieved through multiple energy-efficiency projects, purchase of electric vehicles and, most significantly, a power purchase agreement to supply Council with zero-emissions electricity.

Six key initiatives are described below:

1. Melbourne Renewable Energy Project

Moreland City Council is now powered by 100% home-grown renewable energy. On 1 January 2019, Moreland began purchasing all its electricity for Council operations from the Crowlands Wind Farm in north-west Victoria. This includes electricity for all streetlights, Council buildings, public barbecues, and electric vehicle chargers. Through this project, which was the first of its kind in Australia, the purchasing power of a 14-member group was a direct cause for development of the 80MW Crowlands Wind Farm.

2. Improving Council Buildings

Council has carried out significant works to improve energy efficiency at many of our key buildings, including Coburg Civic Centre, Brunswick Town Hall precinct, Moreland's Libraries and Leisure Centres. Works include insulation upgrades, LED lighting retrofits, double-glazing retrofits and improving the efficiency of heating and air-conditioning systems. By the end of 2021, Council will have installed over 1MW of solar across almost 40 council buildings.

3. Solar on Council Leased Buildings

Council owns a number of buildings which it leases to community organisations such as sports clubs and kindergartens. Under the Solar on Leased programme, Council pays the upfront costs of installing solar, and maintains the solar system. Tenants repay the capital costs over 7 – 10 years using the savings from their electricity bills. The tenants see some cost savings from day one, and once the solar is paid-off they get the full cost savings, without ever having to outlay capital. This program won a United Nations Association of Australia Award in 2017.

4. Electric Vehicle Fleet and Electric Vehicle Charging (Public and Council)

In 2013 the Council hosted the installation of Victoria's first electric vehicle 'Fast Charge' station in partnership with the Victorian Government and their electric vehicle trial. Moreland has since developed a network of fourteen publicly available electric vehicle charging stations, including four 50kW DC fast charge stations, all owned and operated by Council. Council provides the

community with free use of this charging network, to encourage wider uptake of a zero emissions mode of transport.

Moreland City Council now has 28 pure electric vehicles (EVs) in its light vehicle fleet, making it the largest council EV fleet in Victoria. Council's Light Vehicle Policy has been key in building this fleet, since it prioritises the purchase of entry level zero emissions vehicles in the first instance irrespective of vehicle value.

In 2016 Council began investigating options for renewable hydrogen generation to provide a zero-emissions transport fuel for its commercial vehicle fleet. Moreland then participated in a trial of hydrogen fuel cell electric vehicles with Toyota Australia. The purpose of the trial was to demonstrate Council's support for hydrogen fuel cell technology in the zero-emissions transport space.

Council considers that a well-balanced and resource-responsible path to a zero-emissions transport future will likely see Battery Electric Vehicles (BEV's) fill much of the personal transport space, and Fuel Cell Electric Vehicles (FCEV's; green hydrogen) fill much of the commercial and public transport space. Council sees battery electric and fuel cell electric vehicles filling specific roles in a zero-emissions transport future and supports them as equally important technologies in the transition away from fossil fuel derived transport options.

5. Bulk streetlight upgrade

From 2014-2016, Moreland upgraded over 8,600 streetlights on Moreland's minor roads from mercury vapour technology to high efficiency LED. These upgrades achieved a massive 75% reduction in energy consumption, while at the same time improving light levels. The project achieved cost savings of \$490K per year in reduced energy and maintenance costs, and was the largest energy efficiency initiative implemented by Council since the beginning of the carbon reduction program in 2010.

6. Moving off gas

Moreland is already acting to phase out gas from both council operations and our community. Gas consumption is currently responsible for approximately 30% of Council's 2019/20 corporate carbon footprint. Moreland is committed to ensuring all our buildings are electric-only and is taking advantage of scheduled work to transition our sites off gas. We consider that electric heat pumps can meet the necessary heat demand at the vast majority of Council facilities. We have installed electric heat pumps at six sports pavilions, two community centres and our main administrative offices. Construction is almost complete on the Glenroy Community Hub; an all-electric site which will house a library, community centre and maternal and child health centre. As well as having no gas, this may be the first community centre in Australia to be certified to the Passive House standard. Sites transitioning to all-electric will continue to be powered by zero-carbon electricity.

We understand that the Victorian Government is considering blue hydrogen as a substitute for gas. Whilst this approach may maximise use of existing gas infrastructure assets, we understand that blue hydrogen is typically manufactured from fossil fuel gas. This approach relies heavily on unproven carbon capture technology and is likely to involve carbon emissions due to methane leakage. Technology and energy efficiency solutions exist to transition all

buildings to electric, and we would recommend that the Victorian adopt these solutions. We consider that green hydrogen and biogas should be targeted at industries that cannot transition off gas, such as manufacturing and heavy fleet transport.

Zero Carbon Community

Moreland has a long history of collaboration with its diverse community to act on climate change. Some of the key initiatives currently underway are outlined below.

1. Household and Business Solar and Energy Efficiency Programs

Council and its delivery partners have facilitated household and business installation of rooftop solar PV and energy efficiency, both through our own funded programs and through Solar Victoria. The municipality now has over 41MW of solar installed.

2. Environmental Upgrade Finance

Moreland has facilitated Environmental Upgrade Agreements to provide building owners or managers with access to loans, allowing them to maximise the energy efficiency of commercial sites. There are now 7 EUAs in Moreland, which have unlocked \$655,765 worth of investment. The EUAs have enabled the installation of 413.5kW of solar, which will generate 603 MWh of renewable energy, reduce emissions by 12,128 t-CO₂e and save businesses \$2.1M in operational costs over the life of these EUA projects.

3. Growth in all-electric developments

Moreland has a successful history of engaging with developers to encourage provision of all-electric buildings, which can be powered by 100% renewable electricity. Moreland is observing a growing trend of all-electric builds with no gas connections across a range of development scenarios and typologies. Moreland has developed a strong body of evidence showing that gas-free development is technologically feasible, commercially viable and acceptable to the people who live in them.

4. Achieving Zero Carbon within the Planning Scheme

In 2018, Moreland resolved to pursue initiatives to develop and incorporate zero carbon standards within the Moreland Planning Scheme. The Achieving Zero Carbon within the Planning Scheme Project aims to support Moreland City Council's Zero Carbon 2040 Framework and Action Plan, and to deliver Council's statutory climate change pledge made under the Climate Change Act 2017 (Vic). Thirty-one councils and the Council Alliance for a Sustainable Built Environment (CASBE), have now joined the initiative to develop resilient, zero-carbon buildings and urban places via the Elevating Environmentally Sustainable Development (ESD) Targets Planning Policy Amendment Project.

Through the actions of local government and CASBE, the Elevating ESD Targets Planning Policy Amendment Project includes a revised set of standards that mandates renewable energy uptake. The project also strongly encourages electrification and gas-free development practices. This includes provision of electric vehicle infrastructure and minimum renewable energy requirements (PV) for new developments. Moreland's guidance notes, prescriptive requirements and detailed supporting technical studies and case studies can be found at Zero Carbon Planning - Zero Carbon Moreland (morelandzerocarbon.org.au).

5. Electrify Everything: Communications Message Guide for Households.

As part of our goal for a Zero Carbon Moreland, Moreland City Council will be running a public communications campaign in the coming months encouraging homes and businesses to transition to all-electric. The *Electrify Everything: Communications Message Guide for Households* is based on qualitative market research we undertook to inform our communications campaign for homes and businesses to be powered by electricity. The guidance aims to ensure our campaign resonates with residents. To download the guide go to <https://morelandzerocarbon.org.au/news/moreland-launches-new-electrify-everything-messaging-guide/>.

6. Support for low income /CALD (Culturally and Linguistically Diverse) homeowners- energy efficiency and solar

In 2020, Moreland established a program to provide support to low income / CALD homeowners through the process of installing solar PV or upgrading their home thermal efficiency, at no or low out-of-pocket costs. The energy efficiency subsidies provided enable residents on low incomes to improve the comfort of their homes, while learning about energy use and cost controls. Moreland Council recruited almost 100 households in 20/21 and supported the Energy Savvy Upgrades program. Council will manage its own program in 2021/2022. Subsidies for solar increase access to residential solar for households who cannot afford to access rebates. 45 low income homeowners have participated in the solar program to date, and interest in the program continues to grow.