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Planning Reform Submissions via  
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Cc:

Conservation Council SA  
David Basham MP  
Josh Teague MP  
Dan Cregan MP  
Peter Treloar MP

Dear Planning Reform process,

I would like to ensure that the system you are implementing adequately caters for community and locally scaled energy installations. South Australia has a dominant energy transition trajectory of large renewable energy and rooftop solar. However, decentralised energy is very topical, microgrids are mentioned daily as a resilience solution for communities in the face of bushfires and I would argue that it is only a matter of time before local energy installations are actively discussed by communities. I have provided evidence of the ongoing discussion around local energy in Attachment 1 and background on the community energy sector and South Australian activity in Attachment 2.

In particular, I would like to note that local energy solutions may be deployed for energy reliability purposes even though most of the current examples around Australia have been installed to support local economies. Victor Harbor is a single cable risk for SA Power Networks and their application for some \$millions to address this risk has at this stage been rejected by the regulator. Port Lincoln has been shut off for bushfire risk reasons three times in 2019, cutting power to 14,000 homes in adverse conditions.

For the purposes of this discussion, I imagine local energy assets as structures installed to fulfil a need for the local community. This could mean solar panels, small scale wind, back-up generators running on diesel, biomass or hydrogen and/or batteries and other energy storage. The scale of such an installation would likely be larger than the needs of any single customer but not so large that its business model relies on exporting energy to the centralised grid.

As a driver of community and business resilience, local energy assets of this nature should be promoted, not unduly frustrated by 'red tape'.

The draft Code appears to have been prepared with only domestic and commercial forms of renewable energy facility in mind, not community scale energy.

Given the significant triple-bottom-line benefits of communities, and also mining ventures (which may not constitute ‘existing use of land’), investing in locally-generated renewable energy and storage to reduce their power costs, improve reliability of supply etc., the Code’s policy and definitions should facilitate a wider range of such community-level or local facilities.

#### **Definition of Renewable Energy Facility (Land Use Definitions):**

The definition includes the following exemption:

“The use does not include a renewable energy facility principally used to supply and/or store electricity to an existing use of land that has a generating capacity less than 5MW (e.g., domestic solar panels, domestic wind generators, domestic battery storage).”

Thus a facility with generating capacity of less than 5MW is a Renewable Energy Facility if it principally supplies a community or range of users, but not if it principally supplies an existing use. This may make it harder to establish a renewables-based community energy facility in some locations. As a Renewable Energy Facility, it is a defined use that is ‘Restricted Development’ in some zones and overlays regardless of scale.

The 5MW threshold is not the issue – rather the criterion of supplying a single land use when the benefits and impacts of shared facilities may be superior.

**Recommended:** amend definition as follows:

“The use does not include: (a) a renewable energy facility principally used to supply and/or store electricity to an existing use of land, that has a generating capacity less than 5MW (e.g., domestic solar panels, domestic wind generators, domestic battery storage); or (b) a community energy scheme that has a generating capacity less than 5MW.”

#### **General Provisions for Renewable Energy Facilities:**

These provisions adopt a negative framework that could sometimes have perverse outcomes.

For example:

“Renewable Energy Facilities (Solar Power)

PO 9.1

Solar power facilities generating 5MW or more are not located on land of high environmental, scenic or cultural value.”

Without a more precise description and mapping of areas of environmental, scenic or cultural values, the main thrust of this policy is likely to deter relatively small solar facilities that could support community and business resilience.

In reality, existing settlements, activity and tourism centres, plus a range of resource industries, are already located inside areas of high environmental, scenic and cultural value, and in some circumstances (like mining), the Code cannot, or may not seek to, prevent more establishing.

The impacts of renewable versus non-renewable supply and infrastructure need to be considered and addressed in a balanced way. The latter can have significant impacts on environmental, scenic or cultural value.

## Rural Zone

The Rural Zone policies support only Renewable Energy Facilities that support rural production or value adding industries.

More specifically:

“PO 9.2

Small-scale ground mounted solar power facilities support rural production or value adding industries.

DTS/DPF 9.2

Solar power facilities:

...(b) generate power which is to be used wholly in association with a primary production industry, a value adding industry or local infrastructure facility on the same allotment... “

This unfairly and unnecessarily discriminates against community energy where the intent is to supply to a community rather than only supply only or principally to particular industries.

The Rural Zone is large and is not confined to areas in primary production or areas where primary production is the highest and best use.

Renewable energy can be and is often compatible with rural production.

As an aside, the focus on limiting the size of individual solar farms is not an effective strategy of limiting impact on those parts of the Rural Zone with good or the best agricultural land. It does not address land capability or directly address issues of land use compatibility.

**Recommended:** Re-draft PO 9.2 to encourage the establishment of community energy schemes utilising solar power facilities that would supply a range of uses.

PO 9.2 as currently drafted would have the perverse effect of discouraging the establishment of small-scale solar facilities for communities as a way of minimising costs and disruptions to supply, as well as reducing emissions.

## Significant Landscape Protection Overlay and Character Preservation Area Overlay

A Renewable Energy Facility is Restricted Development in the Significant Landscape Protection Overlay and the Character Preservation Area Overlay.

Under the draft Code, this means any proposal for renewables-based community energy (regardless of merit, scale, impacts etc.) in these Overlays faces a high degree of uncertainty because it is subject to the most onerous approval process in the Planning and Infrastructure Act system.

In the Significant Landscape Protection Overlay, this may create a potentially insurmountable barrier to provision of clean, reliable and affordable alternative power supply for indigenous communities and townships like Hawker and Leigh Creek, as well as potentially any use that would like to benefit from a scheme that is not exclusively or principally supplying that use.

In the Character Preservation Area, communities and businesses in the Barossa and Willunga Basin would face similar obstacles if they sought to build local resilience via community energy.

Again, the relative impacts of renewable versus non-renewable supply and infrastructure need to be considered and addressed in a balanced way.

**Recommended:** Either make Renewable Energy Facility a Performance-Assessed Development (not Restricted) in these Overlays, or Performance-Assessed Development in specific situations calibrated to support appropriate community energy schemes that will supply a range of uses.

## CONCLUSIONS

The Code fails to appreciate the emerging role and public benefits of renewables-based community energy. To address this, we recommend a number of simple changes (to one zone, two overlays and general policy). We lacked capacity and time to undertake a thorough review of the voluminous draft Planning and Design Code. Therefore, we urge the Commission to identify any other provisions similarly in need of amendment to support community energy.

Thank you in advance for your efforts in ensuring that community and local energy initiatives are supported by planning reforms because they are likely to be necessary components of every region's energy transition,

Heather Smith  
Chair, Coalition for Community Energy

## ATTACHMENT 1 – Decentralised and local energy

Various links demonstrating the move toward local energy, noting that many models are focused behind the meter on a customer premises because there are still market barriers to unlocking the benefits at a multi-customer level:

- [ARENA's commitment to distributed energy resources](#) includes numerous microgrid trials
- The Marshall Government is committed to distributed energy -> liberal energy solution - A Strong plan for real Change.
- In 2017, CSIRO and Energy Networks Australia developed a comprehensive view of [the Future Grid](#) which unlocks consumer benefits only if local energy systems are optimised
- Kerry Schott, Chair of the Energy Security Board has recently [described the challenges of the new grid](#) and in triggered headlines and thinking from the market bodies [about the two way system](#) that might unfold.
- [An Australian article](#) (of many) reflecting on the California bushfires and associated blackouts.
- Preliminary work in the [Inquiry for tackling climate change in Victorian Communities](#). The Coalition for Community Energy is hopeful this process will result in a positive signal for local energy to overcome the existing market barriers.

## ATTACHMENT 2 – COMMUNITY ENERGY IN SA

### About Community Energy

Community energy is clean energy with a difference because it allows the community to get involved. There’s no single model because every group in Australia has looked at what suits them and their community best. And maybe that’s the way our energy system should evolve?

The main outcome of community energy is the unlocking of local benefits that existing energy markets have failed to deliver so far.



For example:

Image by Community Power Agency [cpagency.org.au](http://cpagency.org.au)

- Delivering the profit of renewable energy projects to a broader section of the community rather than a few corporate investors
- Unlocking projects (renewable energy and energy efficiency) that wouldn’t otherwise occur by developing projects, by reducing costs and by offering finance.
- Helping communities rethink what the energy system of the future might look like and advocating for solutions that are more equitable, efficient and resilient.

### Community Energy and State government support

NSW and Victoria have led the way in supporting the community energy sector. NSW has given grants to regional communities for a number of years to support clean energy projects and action planning. Victoria’s New Energy Jobs Fund has created an injection of funds into regional initiatives in the wake of the closure of Hazelwood Power Station. A State Government strategy needs to match the maturity of the sector in each state.

South Australia is at the start of its journey

Queensland, WA and Tasmania have some activity on the ground

NSW and Victoria are starting to mature

In February 2017, the SA government supported 10 people to attend the Community Energy Congress with a \$10,000 grant.



## Community Energy in South Australia



CORENA, Citizens Own Renewable Energy Network Australia, dedicated to reducing climate emissions with solar and energy efficiency, is one of the sector's most successful models. Operating nationally, with \$250,000 of donated funds under management, the CORENA revolving fund model has just funded its 26<sup>th</sup> project for \$42,000.



Solar Harvest is a Barossa-based community energy initiative, looking to form a cooperative. They have just completed the Coop incubator program and will shortly launch their first fundraising round.

## Community Energy and Federal government support

The federal landscape offers a few funding opportunities:

- The [Energy Efficient Communities Program](#), opens on 1 September 2019 and will provide \$50 million in grants to help businesses and community organisations undertake energy efficiency assessments and upgrades.
- The *Supporting Reliable Energy Infrastructure* program includes \$50.4 million to support feasibility studies into the development of microgrids in regional and remote communities.

These are not expected to be delivered through community energy groups but will help partnerships with relevant projects.

ARENA and the Climate Solutions Fund are both possible sources of funding but tend to be tailored toward much larger projects and more established proponents.

## Community energy and Local government support

Local Government in South Australia has seen the need to support its communities. The following ideas are under development:

- Resilient Hills and Coasts (6 Councils) commissioned a proposal for a Community Energy Program. They have now developed legal models and are restarting community engagement.
- Adelaide CC, Pt Pirie and Eyre Peninsula have all developed solar programs.
- Campbelltown CC championed the development of a solar calculator for community projects but could not make the business case on a number of their buildings for a community-led investment.
- The Western metro councils are exploring ideas to weather proof housing for extreme heat, which would have the added benefit of reducing bills via an insulation and possible solar investment.

## What would we like to see from State Government?

We would like to see a deliberate conversation about community energy that allows MPs to understand the benefits of a dedicated community energy strategy and the opportunities within their own communities.

This would allow State Government to develop a funded strategy with bipartisan support to grow the community energy sector in South Australia.