



POWERING OUR COMMUNITY WITH COMMUNITY OWNED CLEAN ENERGY

The Greens plan to support Community Owned Renewables

Australians are fed up with their energy companies. They want to take control of their electricity bills and do their bit to turn Australia's energy system from one of the dirtiest in the world to one of the cleanest. The Greens will help people participate in community-owned renewable energy.

Community-owned renewable energy is about everyday Australians investing their time and money in local clean energy projects and sharing in the energy or the profits that are created, or both!

Community-owned projects bring people together, empower local communities and offer clean energy to people and communities directly. They are of particular benefit to those households that face barriers to installing their own clean energy; tenants, people living in apartments, or people in retirement homes with shared ownership.

For example, in Germany, 47% of all clean energy capacity is owned by citizens, farmers and communities.

There are currently over 70 community energy groups in Australia and more than 30 operating community-owned renewable projects. Projects, like Hepburn Wind in Victoria, are showing Australians how a new business model for clean energy can work, but changes are needed to ensure stronger development of a community-owned renewable energy sector into the future.

Community owned renewables can be large projects involving hundreds of community investors that want to establish a solar farm on the roof or land of a local school or community site or smaller projects involving a single neighbourhood. For example, a group of residents who experience poor solar access on their houses or apartments may form a cooperative and negotiate with a local car park operator or commercial building owner to construct a solar farm where there is better solar access – the business owner gets a fee and the cooperative gets paid for clean energy going into the grid.

The Greens plan will also support existing community organisations such as schools, churches or sporting clubs to install solar or battery storage

In recognition of the potential and strategic importance of community-owned clean energy, **the Greens commit to:**

- **Capped tax-free earnings.** Households and businesses would be eligible for tax free profits arising from their investment in community owned clean energy.
- **Solar communities fund:** \$102.9 million to enable community groups, schools and other local institutions to invest in solar and solar storage.
- **Community Energy Powerhouses Start-Up Fund.** A \$150 million start-up fund to get 50 Community Energy powerhouses up and running with up to two years of operational funding.
- **Community Power Networks.** A further \$2 million in annual funding would enable the sharing between community organisations of business models, insights, strategy and information exchange between local clean energy groups.
- **Modernise the regulatory environment.** The Greens will continue to advocate for changes so that crowd-funding laws better support community renewables, add 'the provision of information and education on community clean energy' to DGR status criteria for the environmental register and also remove regulatory barriers faced by community clean energy projects.

The investments outlined below will be funded by redirecting existing SolarTowns funding and other savings including abolishing fossil fuel subsidies.

> INCENTIVISING INVESTMENT

To assist in promoting the investment in community clean energy, individuals will be able to enjoy tax free profits. To ensure that investment problems like forestry managed investment schemes are not repeated, the total tax benefit will be limited to 150% of the annual average household electricity consumption (currently around 8,726 kilowatt hours per year).

This limit is generous enough that it will encourage a new wave of investment in community owned clean energy, but is not set

so high as to enable tax minimisation strategies. This is expected to cost the budget \$4.3 million over the forward estimates period.

> SOLAR COMMUNITIES

Australians love solar, with over 4 million people already living under solar roofs. The Greens want to enable existing community groups and the growing number of community owner renewables groups to have access to development funding to expand the number of solar roofs in the community.

We will establish the Solar Communities Program with funding of \$102.9 million over the 2016-17 Budget forward estimates.

The program would replace the existing Solar Towns program and expand access to:

- enable schools and other public institutions to be eligible;
- include funding for the development costs of greenfield community renewable projects ;
- enable funding for solar storage , solar PV and solar hot water.

> POWERHOUSE START-UP FUND

There is substantial interest in community-owned clean energy, but like any new idea investment is needed at the early stages to get projects moving. The Greens will put in place a fund to support the establishment of community energy powerhouses.

To kick-start these projects, a \$150 million start up fund will help develop the foundations for these powerhouses and provide up to two years of operational funding.

With up to 50 community energy powerhouses able to be established around the country, they will drive community support for a rapid growth of community renewable projects.

> STRENGTHENING THE COMMUNITY OWNED RENEWABLES NETWORK

In addition to the start-up funding for powerhouses, a further \$2 million in funding will be available to help different local powerhouses to connect, share advice, insights and information. This will exponentially grow the capability and potency of clean energy projects

> A NEW ENERGY SYSTEM

Our energy market and regulatory environment is both complex and outdated. A part of the Greens plan to modernise our electricity system, we will also be reforming the regulatory environment to make it fit for the technological revolution that is happening around it.

The Greens have been working hard to ensure that Australia's crowd-funding laws support investment in community-owned energy and enable projects to take advantage of people-powered investment

Supporting the investment environment also requires charitable status rules to extend to this new, innovative area of clean energy investment. This will give clean energy a funding advantage over fossil fuel energy projects.

Finally, electricity market rules need to be modernised to assist all forms of clean energy to be developed quickly. This includes a right to connect to the grid and rebalancing power away from network companies towards individuals, companies and community owned powerhouses.