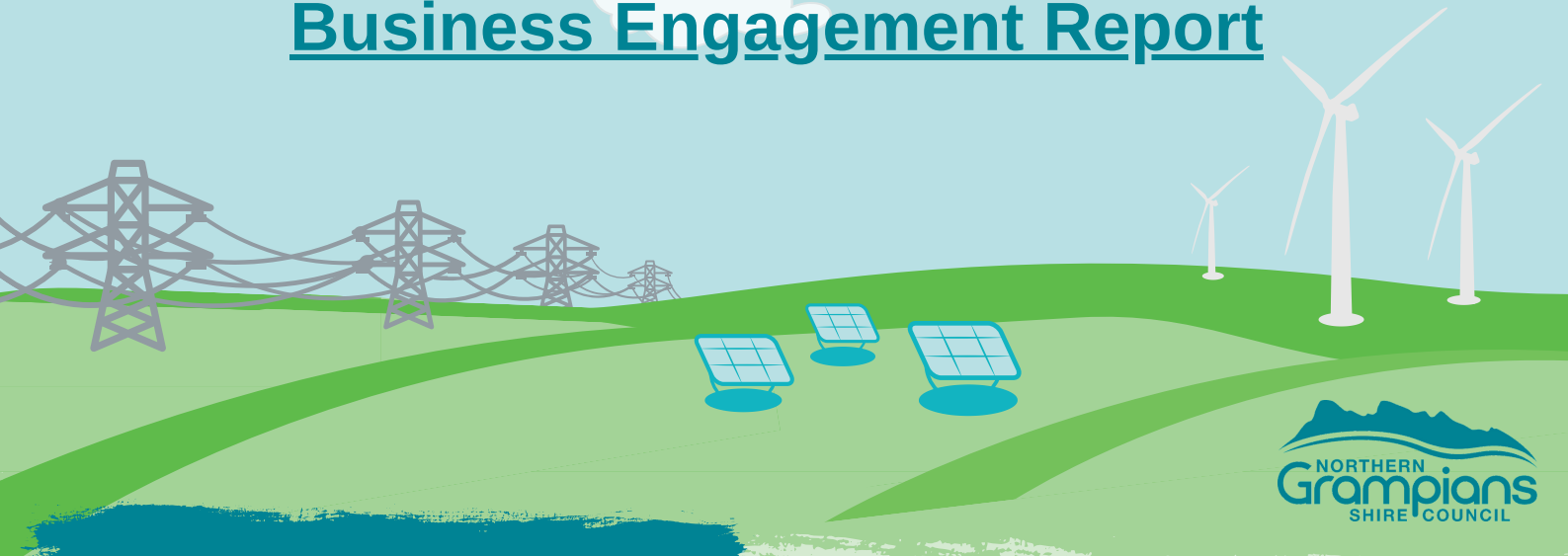


Renewable Energy Transition Action Plan Business Engagement Report



Project context



A key outcome of Northern Grampians Shire Council's Economic Development Strategy and Action Plan 2021-31, Council took the initiative to develop a draft Renewable Energy Transition Action Plan to harness the benefits from the transformation of Australia's energy market with a framework that seeks to guide development and support businesses to tackle energy security, capacity and affordability.



The preparation of Northern Grampians Shire Council's Draft Renewable Energy Transition Action Plan has combined knowledge from a range of inputs, including local context of the needs and ambition of businesses and the community within our shire and the broader context of the energy transition in Victoria.



As part of the first phase of the project, Council commissioned specialised consultants from the team at Grantus and Proud Mary Consulting to develop a strategic framework to accelerate NGSC's transition to a clean energy economy. Between June and late October 2022, local and regional stakeholders with energy interests were identified to capture their current challenges and future energy needs.



23 one-on-one interviews were held with key local business, industry and community stakeholders, targeting energy intensive construction, manufacturing, mining, agriculture, retail and tourism businesses. Further engagement was conducted with councillors, regional associations, energy industry representatives and government agencies, as well as other local councils in Victoria to understand and learn from their experiences of the energy transition.



This engagement and policy research helped clarify the issues most relevant to local businesses and the community and identify opportunities and priority actions for NGSC to pursue as part of the Action Plan that would maximise the benefits locally from the transition.

What local business leaders told us



There was universal acknowledgement from participating businesses that there is a need to transition to baseload renewable energy generation. This was overwhelmingly linked to concern about the impact of price increases for electricity and gas on operational costs, business viability and the capacity to compete with international competitors. However, this view was also tied to several secondary considerations, which included:



Recognition of environmental and sustainability impacts of traditional industrial activity, and businesses are motivated to do more;



Businesses have identified the cost benefits and are already retrofitting plant and equipment and investing in renewable energy solutions and governments need to catch up;



The globalised economy has increased exposure for the local industry to the demands from international consumers and investors; and



The transition to renewables is inevitable and we might as well move now even if the economic benefits have a longer lead time before they are fully realised.

There was a strong expectation that Council has a key leadership role in not only establishing a framework to attract major investment in the development of local renewable energy projects; but also, some direct assistance and advocacy is needed to support business to adapt to renewable energy solutions and reduce energy costs. This included:



Council to facilitate access to financial assistance to encourage small businesses to transition to clean energy solutions such as rooftop solar and battery systems;



Council to take a leadership role in addressing knowledge gaps and connecting businesses with opportunities to develop and enter new markets to sell or trade surplus energy;



Council to include renewable energy and sustainable design principles in its town planning framework to ensure renewable energy projects can progress easily;



Council to help eliminate bureaucracy and red tape when attempting to gain approval for new projects from power distributors by connecting businesses with the right people that can provide guidance and deliver a quick turnaround on approvals;



Council should advocate to the Commonwealth and Victorian governments to offer direct assistance to businesses to undertake energy audits;



Council to connect renewable energy developers and investors to local contractors and suppliers;



Council needs to work with governments to educate businesses on where the energy market is heading to help businesses plan ahead to avoid relying on energy sources that are likely to add increasing exposure to price shock;



Exploration and nomination by Council of hydrogen production and storage as a renewable energy priority to supply fuel for the transport, agriculture and manufacturing sectors; and



Council to explore value-adding opportunities in the agriculture sector, such as creating a market for waste to energy conversion of farm waste and explore the potential of capturing methane from feedlot ponds to generate heat and power.

Challenges and Opportunities

Local businesses and industry also offered observations about the key challenges and opportunities linked to the renewable energy transition.

Challenges



Need to plan a pipeline of development to avoid a rapid escalation and subsequent decline in economic activity, including demands on local infrastructure, housing, and services;



Renewable energy development that comes online too quickly could accelerate the grid reaching saturation point, curtailing local generation and distribution;



Businesses would actively consider energy alternatives if the process were easier, and the cost benefits and efficiencies could be proven;



Existing capacity constraints of the grid are a disincentive in enabling businesses to expand operations to meet contract demand;



Some renewable energy technologies are not commercially viable as a standalone investment but may become competitive if the costs and benefits are shared; and



Battery storage needs to be cheaper as feed-in tariffs are not comparable to the retail cost of energy, disincentivising the benefits of large-scale solar systems on farm sheds and available unfarmable land.

Opportunities



Access to new revenue streams through hosting renewable developments that boost farm enterprise value and financing security;



Power purchasing agreements and behind the meter arrangements will reduce business costs and offer price stability;



Council's initiative to develop a framework for renewable energy transition is welcome as there is increasing pressure from our corporate office to have a sustainability strategy and to take action to support a circular economy;



Developing hybrid renewable energy developments that harness and supply energy to businesses year-round to reduce exposure to peaks in demand on the current network, and future seasonal risks in generation from an overreliance on single renewable energy sources;



Opportunity to market Halls Gap as a 'net zero green town' that becomes a drawcard to boost further growth in environmental tourism.