

TRANSCRIPT

LEGISLATIVE ASSEMBLY ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into Tackling Climate Change in Victorian Communities

Golden Point—Wednesday, 18 September 2019

MEMBERS

Mr Darren Cheeseman—Chair

Mr David Morris—Deputy Chair

Mr Will Fowles

Ms Danielle Green

Mr Paul Hamer

Mr Tim McCurdy

Mr Tim Smith

WITNESSES

Ms Taryn Lane, General Manager, Hepburn Wind, and

Mr Dominic Murphy, Sustainability Officer, Hepburn Shire Council.

The CHAIR: Welcome to the Legislative Assembly's Environment and Planning Committee public hearing for the Inquiry into Tackling Climate Change in Victorian Communities. I also extend a welcome to the public and any media present.

All evidence taken today will be recorded and protected by parliamentary privilege. Therefore you are protected for what you say here today, but if you go outside and repeat the same things, those comments may not be protected by privilege. You will be provided with a proof version of the transcript of today's evidence at the earliest opportunity. Transcripts will ultimately be made public and posted on the Committee's website.

As is customary, we will allow you 10 to 15 minutes for a presentation and then the Committee may ask a number of questions. Some of my colleagues may choose to interrupt you if there is a particular point they want to tease out.

Mr MORRIS: Politely, of course.

The CHAIR: Could you please state your full name and title before giving your presentation?

Ms LANE: Yes, sure. So thank you very much, honourable Members of Parliament, for having us along today to present. My name is Taryn Lane and I am the General Manager of Hepburn Wind. I am also the lead for the Hepburn Z-NET program, which is our master plan to reach a zero net emissions goal by 2030. I am here today with Dominic Murphy, who is the Sustainability Officer of Hepburn Shire Council, and essentially we will be co-presenting. So I will present first for a short amount of time on Hepburn Wind, then Dominic will present for a short amount of time on council and then we will both discuss the Z-NET program because it is a partnership program of council, Hepburn Wind and many other local partners.

So last night our councillors passed unanimously a declaration of a climate urgency. The fact that it was unanimous is really heartening to me, and it is something that I really hope will come out of this process. I hope to see a bipartisan report, so no minority report, and really a celebration of what is happening on the ground and strategies for how to help communities tackle these problems in a faster way essentially. As a person who manages a community organisation, our organisation has suffered over the years because of the Federal Government dysfunction in regard to renewables. Having a unified front in Victoria is really key and would really help our ambitions and other community groups' ambitions going forward.

In regard to Hepburn Wind, I am very happy that you will come out to visit our wind farm later today. So I will not go too much into the detail because we will have another opportunity to have a chat, but essentially we are owned by 2000 members and we are the first community-owned energy generator in Australia, and we were really built to start a movement. Since we were built and up and operating, there are now 105 other community energy groups around Australia. Fifty of those are located in Victoria. So we feel like we did a 'Job well done' in regard to developing a model and seeing this movement spread throughout Victoria. Our community members invested nearly \$10 million of community capital, and they have really shown that under the right conditions renewables can be embraced and celebrated within a local community.

Now eight years in we have seen an abatement of almost 90 000 tonnes of CO₂ through our energy generation. Our community fund has delivered a benefit of almost \$250 000, and we have delivered 32 kilowatts of donated solar projects and community facilities within that. We work hard to implement climate mitigation projects but also to partner with council and other local stakeholders on climate mitigation programs. For ourselves, one of our major projects that we are undertaking at the moment is a 3-megawatt solar farm development that will be co-located at the wind farm. I am happy to show you that location later today. We are also doing the Z-NET program, which we will discuss later. We rolled out the Hepburn solar bulk-buy, which is still operating at the moment. We started it last year. To date it has had 118 new residential solar systems installed and around about \$1 million spent over the 12 months in our shire. Our community grants program

has funded over 62 local projects since we started operating and delivered around \$130 000 back to the community in the form of micro grants.

How Government can support us: community energy really needs a stable and ongoing policy framework. If Government wants to see us thrive, and especially if they want to see more midscale projects like Hepburn Wind, there is a reason why there is a gap. There is a reason why there are no other projects like us. And essentially it is because there is no long-term, secure income and early phase funding to get through the high-risk phase for these projects. A key way to overcome that would be to firstly do a carve out of the VRET, which is the Victorian Renewable Energy Target. We obviously have the goal of 50 per cent renewables by 2030 and having a carve out for a community energy target, a CET—what we think would be very achievable and would really help kick start the midscale community energy movement in Victoria would be to set it at 100 megawatts by 2025. Importantly, this would be a midscale target. We are already seeing many, many small-scale projects on the roofs of community facilities and the like. We are really talking about that 1 to 10 megawatt scale, so the scale where there is a gap between what is happening on rooftops and what is happening in the large-scale auction scheme such as through the VRET.

We have surveyed other community groups around Victoria and also in considering our project that we are doing up at our wind farm site. We believe a feed-in tariff of 6 to 7 cents, so effectively replacing the renewable energy certificate market would suffice for community energy projects, but there would have to be a minimum 15-year term based on those.

The CHAIR: Sorry, just to clarify that, you are talking about setting aside about 100 megawatts for effectively projects from 1 to 10. So you are potentially looking at per each cycle 10 projects effectively. Is that right?

Ms LANE: Yes, so this is up until 2025. It would take a build out of a significant amount of projects. Our project will be 3 megawatts. Other communities might do something that is 10. A lot of communities will choose to do projects below 2 megawatts because it is very easy to connect into the distribution network at that scale. So you are most likely to see sub-2 megawatts.

The CHAIR: Okay, so that could be somewhere between 40 and 50 projects. Sorry, keep going.

Ms LANE: Yes. Just following on from that, unlocking the distribution network is really key. So we are starting to see a lot of issues with large-scale renewables and connection delays, connection issues, changing the scope of these projects. There is a whole range of distribution network across the State that is not being utilised. There are only two midscale generators connected right now into the distribution network. Hepburn Wind was the first, Chepstowe wind farm was the second. It is existing there. You do not need to perform much upgrades if you keep it within a certain scale, but you really need to bring distributors to the table and help them link with community groups, because these projects are at a scale where community groups can finance them and own them and they are not too onerous to manage. They are a simpler kind of project, especially at that scale and for solar.

The CHAIR: Just to jump in there. Without government subsidy what is the cost at the moment of establishing a 2-megawatt renewable energy facility?

Ms LANE: Sure. So nobody is creating products for mid scale because they are more expensive. All we are seeing is the pricing for large scale. But when community groups like ours have gone out and done expressions of interest with different EPC contractors the range of what is put forward is wildly different. It has a plus or minus of 50 per cent on it. At the cheapest level what we are seeing at the moment is for fixed installations \$1.20 a watt, and for single axis a minimum of \$1.40 a watt at the cheapest price. These things can of course be completely skewed with grid connection costs. Development charges are another big one. You still have to go through the same development process if you are mid scale or if you are large scale, so that adjusts the economies of scale quite significantly.

The other key thing following on from that is around midscale development grants to get over this hump. Not putting community groups at risk in regard to the development phase but supporting them to get all the technical studies done so that they are ready to build and to raise community capital to build.

Mr HAMER: Just to clarify: so the big difference between the large scale and the mid scale which is preventing some of these projects happening is the fixed costs. So like you say, the—

Ms LANE: The technical costs, yes.

Mr HAMER: Planning, design. It is not going to be much different.

Ms LANE: The planning, design and the grid connection cost as well. It is very different from a transmission line, but it is a risk for most communities. For example, we were quoted by Powercor that our grid connection would be \$225 000. At the end point it was \$1.6 million. So there is this big unknown for community groups. We have performed significant upgrades and we can now put a solar farm there, and that is great, but the big unknown for communities around what is the end point for costs, for grid connection, needs support. I will hand over to Dom now.

Mr MURPHY: So my role within Council is as sustainability officer, so looking at corporate emissions. That is through projects like efficiency, on-site generation and also things like power purchase agreements, looking to electric vehicles and purchasing offsets. One of the biggest motivations for us working with community through the Z-NET project and other projects is that when we look at our own corporate emissions they pale into insignificance in comparison to the community's emissions. So we can spend a lot of time and a lot of money and a lot of energy trying to look at what we are doing but there is a much larger problem on the horizon, and that has really become evident through the Z-NET project and through other projects.

Council has a road map called the *Towards Zero Emissions Roadmap*, which is a plan for us reaching carbon neutrality due to council operations by 2021. We are on track to meet that but, as I said, there are a lot of issues within the community and there are a lot of gaps that need to be filled, and it is a very long lead time. In 2017 council held some sessions around the shire called the 'Carbon Free Community Conversations', where people would put forward different ideas—and they really were just ideas—around what could be done, what the gaps were, and I think that highlighted to us that that is a starting point for how you engage community and how you bring them along on the journey. Fortunately we have a very progressive shire, we have organisations like Hepburn Wind who can lead the charge, and what has come out of those carbon-free conversations is that all of those projects, all those ideas which community have ownership of, which are representative of our region and of our shire, we can then develop them and come back with meaningful metrics which allow those projects to be scaled appropriately for the region and led by community. I think that is probably the most important thing that has come out of it, the idea of social licence and being able to support the community along the way.

So the Z-NET project is a very powerful framework, and what is being done with the Z-NET project is looking at what local emissions are. So getting actual substation data around how much electricity we use in the shire; how much fuel is burnt in vehicles; how many cows, sheep, pigs; how much land is set aside for cropping; what the land cover is; and the land use, and then using greenhouse accounting factors to develop a local bespoke emissions baseline and incorporating those specific actions which were put forward by community into projects which can address those emissions. I think that is very powerful in that we can push projects as hard as we want but when we look to state- or federal-level aggregated datasets the impact and the effort that people were putting into these projects is not reflected. They do not see those outcomes, and also every shire, every city, every region is going to be different. There are vastly different industry sectors, social conditions, community sentiment, and by having a framework where we can look to what we want to do locally, people can take ownership of that.

So in the Z-NET program stationary energy, although it is one of the biggest focuses at a state and federal level in terms of what the emissions footprint is, that is not the case for us. About 30 per cent of our emissions baseline is from stationary energy, a further 30 per cent is from transport, and around 40 per cent is from agriculture. So it just highlights that there is a discussion that needs to start, and when we map out a roadmap over the next 10 years for reaching carbon neutrality and you actually start to tie dates to tangible projects, it really highlights that there are a lot of challenges and there are a lot of discussions that need to start, and they needed to start a long time ago, and we really need to promote those and come up with solutions moving forward.

Ms LANE: I would like to present you each with—this is our summary plan. Our big plan is about 130 pages so I will not bombard you with that one, but we have got some summary ones for you, and look it is something that we are really proud of because it presents in a very friendly manner but it is deeply rigorous what's behind it. We have very sophisticated modelling that has gone into it, and we have been able to make it work to reach zero net emissions within the next critical decade whilst still empowering our community to have localised datasets that they need to work out what their big-ticket items. We were able to—through the process that Dom referred to, back in 2017, the carbon-free conversations—pull in 90 projects from the community, and they were reflected into the implementation plan as well.

The CHAIR: Can I just take you back half a step?

Ms LANE: Yes.

The CHAIR: So this plan, which the shire did—

Ms LANE: So the shire did not do it. The shire was a co-funder, and in-kind components. So it was a collaboration.

The CHAIR: It was a collaboration, okay. I am just wondering what your thoughts are about how the approach you have adopted—how you might incentivise other communities to do it. Would that be through some form of a grant system or what are your thoughts around that? How can we take your efforts to date, how can we develop public policy that might enable other communities who have looked to your leadership to deploy this example in their community? What are your thoughts around that?

Ms LANE: We really set ourselves up as a lighthouse community. We are an incubator for innovation. We want to be—some of these things are not completely replicable and are not completely scalable. The fact that we could bring in in-kind of a three-to-one in-kind leverage for this project because of existing connections with universities and different things is not necessarily going to be replicable. The level of community engagement is not necessarily going to be replicable. So what we have been pushing is that we would like to see—this was a pilot done under SV, so we pitched it to them and they came up with some funding and said, 'Yes, all right, go for it. Give it a go. It's a pilot'. We want to see in the next budget at least five other lighthouse communities getting a go like this, not just being supported to do a master plan but being supported to have implementation funding. So it has to be a four-year program—it cannot just be to do the master plan—and help the communities that have a very strong track record to really get there as fast as possible.

Then in regard to other communities around the space, this model that we took, we used another open-source version called Z-NET Uralla. That was for a zero net energy town. So we took it and we took their energy baseline and went, 'Well, we want to make it about zero net emissions. We want to broaden it out and kind of scale it up'. So we took their content and supercharged it. So there are actually two pathways there. Communities can look at their energy component or they can go for emissions if they are prepared to. But not all communities will be prepared to. And I think you also need strong kind of community and council collaboration to do this, so there has to be support from within council and community.

The CHAIR: Okay. Because I am sure that no doubt there will be lots of other communities that would certainly look to the work you have done and say, 'Gee, we think we've got a willingness within the community, we just need to build those partnerships'.

Ms LANE: Yes, absolutely, and we have been contacted by them. There is a bunch of communities that want to do this, and all they need is some funding to get over that first hump.

Mr HAMER: Can I just ask, particularly directed to you, Dominic: in terms of getting support and gaining support from across the community, was this driven by the community? Was it driven by the councils? Were there sections of the community which took a bit longer to take it on board? I am sorry there are quite a few questions in this. But when I am asking about it I am also specifically thinking that you mentioned that 40 per cent of the emissions are from the agricultural sector and whether the buy-in that was required from that portion of the community—or were they perhaps one of the key drivers to have that happen? Could you maybe explain the background to that?

Mr MURPHY: Yes, okay. In terms of project drivers, I just want to be really clear that council supports this and council feels strongly around the need for localised action. But it really is community led, particularly from Taryn and from existing community groups. I think it is a very good representation of how local government can support community and empower them. So I think this needs to be community led. I think that although we have a very healthy relationship with our community, there is still demarcation there and there needs to be council supporting community as opposed to council telling community how things are going to be done. So that is a very important distinction. But in terms of—

Ms LANE: Can I just add one more thing, though. Something that is really key is that council has supported Dom to have the mandate to support us. So there is a lot of in-kind component and that kind of backbone support that occurs which is really necessary.

Mr MURPHY: In terms of buy-in from the community, we are very fortunate that we have an engaged community. There will be lots of people in the community who are not engaged in this process. It is not 100 per cent of the community, by any stretch of the imagination, that are engaged. There are groups, there is the broader community who are aware of it and who are supportive of it, but there is definitely a need to expand. I guess the biggest driver is to make this visible. How can we have these sporadic projects where we install solar on rooftops or put a new efficient hot-water service at the local community venue and have no context for what impact that is going to have? By setting some numbers that is really what is being supported across the board; it is not being driven by any group—like you mentioned agriculture, or sustainability groups or anything. Making it visible, I think, is a less contentious issue because it just highlights what the problem is. It does not apportion blame; it just says that, as a society, if we are going to reach zero net emissions, this is the task ahead. I think that component of the project is the most powerful and the most strongly supported by all.

Mr MORRIS: I am guessing, part picking up on that, that obviously the 41 per cent of agriculture is, I will not say the elephant in the room, but you know what I mean.

Ms LANE: Yes, absolutely.

Mr MORRIS: Just looking at the various contributing factors to getting there, with agriculture in particular, and just coming to this quickly it is a bit hard to get a feel for the relative contribution of each of the elements, I guess.

Ms LANE: Yes, sure. Maybe just to say obviously with the energy component there is so much action happening. We are running bulk buys, there is the Hepburn Wind solar farm and there are energy efficiency programs. We call all of these things that are already bubbling along ‘quick wins’, and they are really what the front-end focus is to try and get us over that hump whilst we build the literacy in community and support and better enable the regenerative agriculture and other movements that are happening in our shire to develop pilot programs, because really that is the stage where the ag response is at. It is in the piloting stage across Australia at the moment, so there are some great examples that we were able to draw from and use within the project. But really it is going to take a significant amount of piloting and then scaling up for those components.

Mr MURPHY: There is a lot of leadership. There are a lot of people in the agricultural industry who are better qualified than Taryn or I to speak about this, and they would probably say that they have been doing this for a long time. But there is also a large part of the community that is not looking to regenerative practices or is not aware of exactly what the metrics of the impact are. It is difficult in two ways, I guess.

One is that it is a very emotive topic—a lot of farms are multigenerational. People’s incomes rely on it. It is an area that you need to offer a lot of support for any sort of meaningful, equitable transition to occur. But also, transition is more difficult, so we need to look to and develop ways where we can address that. So with those two issues it is a very long lead time. What this has highlighted to us is that if we have a 10-year plan and we want to achieve things in year 10, we need to start this discussion now. Has that answered your question?

Mr MORRIS: Well, I think it has probably confirmed my suspicion—and do not think I am being negative, I am not, but there is a very long way to go.

Ms LANE: Absolutely, and these are really tricky elements.

Mr MORRIS: Yes.

Ms LANE: Transport is another one that needs a lot of support, so transport and ag need significant funding and support from a state level so that pilots can be deployed.

The CHAIR: Can I just pick up on David's theme there? I am just thinking in terms of the agricultural space and farms as a business unit. I would have thought some of the useful initiatives for a farm as a farm but also as a small business, so anything that goes to lessening dependency on electricity is a good thing and it is a good economic thing. Anything that goes to supporting the productive nature of their soils and the watercourses, so Landcare grants as an example, where you are revegetating parts of degraded landscapes, which is not just good for the landscape itself but good for farming practice, providing shelter for animals, soil carbon initiatives, making soils more productive—I would have thought there are some easy wins for farming communities.

Ms LANE: Exactly. All of the easy wins have been modelled in our options model, which is the big spreadsheet that we do not have here. So all of those things such as fuel switching on farms, changing over to solar on the roofs, energy efficiency and then all the on-farm pasture swaps and those sort of things have been modelled out in accordance to what is currently available. But yes, there is still a lot of work to do.

The CHAIR: Are there locally within your shire some farmers who have wholeheartedly restructured their farms that have led to really good outcomes in terms of soil carbon, energy efficiency, pasture practices, revegetating their degraded farmland that has absolutely shown that they are as economically viable today, if not more so, because of those initiatives? Are there some really good, tangible examples at this stage?

Mr MURPHY: Yes, I might answer, if I can just touch on the previous point as well. The short answer is: yes, there are farmers that are doing this.

Ms LANE: Not everything all in one bundle, but some are doing distinct elements, yes.

Mr MURPHY: And there are a lot of options for things like fuel switching, so there are Ag Vic grants for switching from diesel or just energy efficiency in general. What is really highlighted by that, is that at the moment not just ag, but a lot of projects, they are sporadic. The CMA has run a lot of programs around soil carbon and improving soil structure and they are successful. There are a lot of farmers who are supportive of them, but at the moment there is a bit of a lack—I think this is what the Z-NET framework offers—of tracking of the metrics of how many farms are taking that up and at what rate that needs to be taken up across the board to reach 100 per cent penetration in 10 years time. So we can replace a pump with an electric alternative, but until we look and see that we have 1000 pumps we need to replace 100 a year to make sure that they are all replaced in 10 years. That is the sort of power of a framework and drawing some lines around the problem. So yes, there is a lot happening, but I think we really need to across the board look at the scale of the problem and the scale of projects which are needed to actually hit these goals.

The CHAIR: Traditionally in public policy around agriculture there has been the concept of demonstration farms, where they have looked to demonstration farms around pasture or demonstration farms around all sorts of different elements. As far as you are aware, are there any opportunities for a demonstration farm from an emissions/energy perspective? Is that a concept that is foreign to this country or to the State?

Mr MURPHY: I am aware of a number of programs that are running. I mentioned before the CMA are looking at trial projects looking at different cover crops or different pastures, so there are things that are being looked at. There are farmers looking to regenerative grazing and trying to increase penetration of perennial grasslands and things like that, or the health of perennial grasslands.

The CHAIR: But is there a site where it has all been put together, all brought together?

Ms LANE: No. That is a great idea.

Mr HAMER: Can I ask a question? You mentioned about the transport emissions as well being a challenge. I have done a bit of research in this space, just generally, on the changeover of vehicles. My understanding is that the fleet renewal is about seven to 10 years. Now, that would suggest that the ratio of, say, electric vehicles—what is being purchased now will not be replaced until the end of the next decade. I notice that your

target for 2029 is a 97 per cent reduction in transport emissions—so in 10 years time. But if you look at the vehicle fleet that is being purchased now, and I am just talking nationally—I know you come at it at a sort of state level—

Ms LANE: A component of that has been set.

Mr HAMER: So that would not reflect that. So I am just wondering: how do you propose that that sort of target could be met?

Mr MURPHY: So probably the overarching, I guess, ideology that has framed any of these things like the natural changeover period of these technologies is the concept of net emissions, within its emissions sector. So for example, if we are burning a given amount of energy in the form of liquid fuel in 10 years time, we want to make sure—and that is what has been modelled—that the equivalent energy in terms of renewables is being generated in the shire and exported outside of the shire to offset coal and fossil fuels, with the intention that as those vehicles change over, we already have the renewable generation capacity to charge those vehicles, which were diesel or petrol and will be electric, hydrogen or some alternative moving forward.

Mr HAMER: And outside of that, and in terms of the actual programs to try and encourage a reduction in emissions directly from the transport sector, what programs or initiatives do you have in place for that? Obviously I notice that there is the electric vehicle charging station that you have got.

Ms LANE: Do you want to talk about the two council programs?

Mr HAMER: Are there any other initiatives either currently implemented or planned over the next 10 years?

Mr MURPHY: Yes, okay. Sure. One group—or a number of groups—that assist any of our councils, and particularly low-resource councils or small, regional councils, are the greenhouse alliances. Our greenhouse alliance, Central Victorian Greenhouse Alliance, are leading a project looking at an electric vehicle charging network and, like any of these projects, everybody puts in a little bit and we can work together to develop a very well-rounded project. So there is currently a project underway looking at what we can do in terms of developing a whole-of-state charging network for off main roads, with the idea of promoting electric vehicle uptake, but also ensuring that some of these regional centres—which could potentially be bypassed in future if we do not have an adequate charging network—will remain tourist centres. Making sure that council areas, local government areas, have adequate charging infrastructure is one way that we are looking at that.

The other way is at the moment these vehicles are more expensive, the capital cost is more expensive. If you look at the total cost of ownership, so taking into account operating and maintenance costs over the period of their life, then that equation looks much better, but it is cost prohibitive to a lot of people. So our role as government—not just local government, but any level of government—is to look to how we can increase that penetration. So council is purchasing electric vehicles. We have light electric vehicles but we are also looking to heavy electric vehicles which are currently commercially available—converted electric vehicles. So we are looking to our fleet and trying to increase that penetration within the shire. But none of us are under any illusion that in 10 years time there is not going to be one fossil fuel vehicle on the road.

Mr HAMER: I know in the metro area, particularly this applies more in the inner city, where often you do not have parking facilities, there is the car share, Flexicar share—

Ms LANE: Yes. We have that in our implementation plan as one of the community programs. The community of Trentham is one that is very interested in that, so piloting a very small, single-car EV car sharing program within these smaller villages is definitely on the cards.

Just following on from that, I guess one of the things that we really noticed, seeing how big the transport component was and how much more energy we needed to account for compared to if we were just looking at heat and electricity, then led us to discuss, well, the current Victorian renewable energy target is only based on current consumption and then projected population growth through to 2030, but by the time you reach 2030, there are going to be significantly more electric vehicles on the ground—not everyone, but there will be a lot more need for energy. I think when the emission reduction targets come out, there is going to be a mismatch in

what is happening with the ERTs and where the VRET is. So by the time you reach 2030 your 50 per cent target, if that is all you are getting to, I think will really only be about 35 per cent because it has not accounted for the transport. Now, I am sure this will happen in the next year with the ERTs and that combination, but it is just something to flag—that it is significant and it is currently not accounted for. They are not true targets at the moment.

Mr MURPHY: And also in that is just the discussion around the volatility of renewables and the fact that we are already at a point where the total cost of ownership of EVs is attractive and that will become increasingly more attractive. So given that they need onboard storage to function, there is huge potential for there to be a role in electric vehicles in charging habits and absorbing some of those peaks and troughs.

The CHAIR: I just might draw you back a little bit to the opposition of setting aside 100 megawatts for—

Ms LANE: Midscale community energy projects.

The CHAIR: Yes. How would those 100 megawatts be—

Ms LANE: Administered?

The CHAIR: administered? Would that be an auction system similar to the approach with—

Ms LANE: No. One of the things that has come out of Germany in particular but also through Italy and France is even when they set conditions to try and stimulate community energy within the auctions, auctions by their nature are very competitive—it is all about the cheapest price. And the benefit sharing—unless you have got criteria that means that it is valued, it is the first thing to get knocked off. And they are also very rigorous and they mean that a community group would have to wear a lot of up-front risk. So a model that I would propose, which is very similar to what happened in Scotland—so Scotland saw an uplift of 10 to 350 projects built within a 10-year period. It is called the CARES program. Essentially they provide a no-risk, zero-interest loan for the development costs of a midscale project to be developed. It is around about the equivalent of A\$150 000. If that project moves ahead and is built, then that loan gets paid back to the Government. If it does not, then the debt gets wiped and it is not on the community group. And then, once it has moved through that process, there is an EOI process for them to then be supported to go into the feed-in tariff stream. So I would say it needs to be supportive, it needs to be communities able to make these connections early and express interest and for Government to support them to get there.

The CHAIR: All right. So you would be suggesting the Scotland model?

Ms LANE: Yes.

The CHAIR: In its—

Ms LANE: Not necessarily in its entirety, but something similar, so an EOI model rather than a competitive auction experience for community groups. But it would just be really important to set the criteria very carefully, because what has happened in countries like Germany through their auction scheme is that they have had a lot of, I guess, fake community energy projects because the criteria were very flimsy. I think they had a minimum investor level of 20 participants. So a renewable energy developer would just get their family and the farmer who the project was on to sign up to the company and that qualified them to be community and there was a lot of pushback. So you have to set the criteria really carefully as to what we mean by a midscale community energy project.

The CHAIR: And presumably setting the criteria in a way in which we do not find ourselves achieving renewable energy through the most expensive way because ultimately that is a cost that we all bear.

Ms LANE: Absolutely. That is right.

The CHAIR: So it has got to be structured in a way which delivers renewable energy at reasonable cost per megawatt—

Ms LANE: Yes, absolutely.

The CHAIR: but gets all of the other added social benefits along the lines of what your farm has done.

Ms LANE: What our project delivers—absolutely, yes. And, look, there is an example of this. The ACT Government rolled out a community solar farm. They provided a feed-in tariff. It was very, very expensive. It should never have been that expensive. I am sure Simon Corbell would say that did not do the community energy sector or the ACT Government a service. It was 19 cents for their feed-in tariff. We are saying something reasonable—6 to 7 cents. We are within the small-scale—you know, the STC range. We are within the feed-in tariff for small-scale solar. That would be the model that we would like to see.

The CHAIR: Thank you. That was very informative. Thank you for coming along.

Ms LANE: Thank you.

Witnesses withdrew.