



## Local Government Energy Distribution Engagement Program Policy Framework

The overall purpose of this program is to assist Local Governments and (Electricity/Gas) Distribution Network Service Providers (DNSPs) to establish a shared vision for an intelligent sustainable energy network.

Local Governments have developed five policy statements to guide engagement activities with DNSPs on the issues of:

- Demand Management (Page 2)
- Public Lighting (Page 3)
- New Technologies (Page 4)
- Data Exchange (Page 5)
- Climate Change Adaptation (Page 6)

### Goals

The goals of the overall engagement program (for the period 2014-19) are to:

- Work collaboratively on initiatives that reduce energy consumption, generate significant reductions in greenhouse gas emissions and save Victorians money
- Fast track the roll out of sustainable public lighting across the State
- Facilitate trials and assist in scaling up the deployment of new technologies and distributed energy generation
- Share data between sectors to deliver improved forecasting, more efficient infrastructure planning and improve reporting and communication capabilities
- Increase the physical resilience of infrastructure and proactively address climate change risks

### Principles

Councils will seek to work under the following principles:

- Work collaboratively with DNSPs to deliver measurable **best value** financial, social and environmental outcomes for Victorians
- Leverage DNSP investment to support the delivery of key projects within Victorian communities
- Facilitate information exchange between DNSP regions to reduce inefficiencies of parallel or isolated programs
- Establish formal and coordinated engagement channels and develop Memoranda of Understanding (MOUs) between the sectors



## Policy: Demand Management

### Purpose & Background

The purpose of this policy is to assist Local Governments and Energy Distribution Network Service Providers (DNSPs) to work collaboratively on initiatives to reduce energy consumption, generate significant reductions in greenhouse gas emissions and save Victorians money.

### Objectives

The objectives of the demand management policy are to establish:

- broad-based demand management projects— which aim to reduce overall demand for energy, rather than just at a specific point on the network. These may be projects targeted at particular network users (such as residential or commercial customers) and may include energy efficiency and distributed energy programs
- peak demand management projects— which aim to address specific network constraints by reducing demand on the network at the location and time of the constraint and may include distributed demand response and other incentive programs
- DNSP and other investment to fast track the delivery of demand management initiatives and non network solutions

### Outcomes

Within the period 2014-2019, councils will seek to facilitate the following outcomes under this Program:

- Identify and scope the delivery of two district scale energy solutions similar to the Doncaster Hill Smart Energy Zone
- Trial and scale up the delivery of one residential behaviour change energy efficiency program
- Deliver collaborative business engagement programs that generate significant greenhouse gas reduction and cost savings for participants
- Identify, scope and implement non-network solutions for one edge of grid community
- Influence DNSP price proposals in the 2016-2020 Electricity Distribution Price Review (EDPR) to ensure that network businesses are appropriately resourced to implement collaborative initiatives

### Contact

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## Policy: Public Lighting

### Purpose & Background

The purpose of this policy is to assist Local Governments and energy Distribution Network Service Providers (DNSPs) to work collaboratively to fast track the roll out of sustainable public lighting across the State.

### Objectives

The objectives of the public lighting policy are to:

- Establish ongoing replacement programs to more sustainable and lower cost technologies
- Increase knowledge of the performance of the lighting system
- Ensure costs are based on transparent information and opportunities to reduce cost and/or improve quality are central to decision making
- Improve the accuracy and transparency of street lighting asset data and OMR pricing
- Improve relationships between all players in the sector

### Outcomes

Within the period 2014-2019, councils will seek to facilitate the following outcomes under this program:

- Complete the majority of the residential lighting bulk replacement program to energy efficient types
- Establish bulk replacement programs for major road lighting (in conjunction with VicRoads) in all DNSP areas
- Increase the availability of lighting technology options including:
  - standard and non-standard lighting options for major and minor roads
  - lighting controls and data monitoring systems
- Develop a position paper to clarify ownership, access and maintenance options available to Councils within each DNSP area
- Collectively pursue activities that balance the need to lower cost and the requirement to improve the quality of the public lighting system through:
  - increasing transparency of public lighting tariffs (including build up costs)
  - sharing data on streetlight asset type, condition and maintenance history and improving data quality/accuracy
  - collectively tendering for public lighting services and materials (where relevant)
  - ongoing engagement and negotiations on pricing and service levels
  - the development of a sector-wide formal response to the 2016-20 EDPR

### Contact

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## Policy: New Technologies

### Purpose & Background

The purpose of this policy is to assist Local Governments and energy Distribution Network Service Providers (DNSPs) to work collaboratively to trial and assist in scaling up the deployment of new technologies and distributed energy generation.

### Objectives

The objectives of the new technologies policy are to:

- Remove and reduce barriers to emerging technologies and distributed energy
- Scale up existing battery storage trials
- Develop models, tools and shared technology platforms to assist stakeholders implement well planned, integrated energy solutions

### Outcomes

Within the period 2014-2019, councils will seek to facilitate the following outcomes under this Program:

- Assist DNSPs assess the change in performance of the current centralised supply system compared to a distributed system and evaluate the ability or adjustments necessary to meet regulatory standards and clearly communicate this back to their communities (including the development of a long term vision and roadmap of actions)
- Leverage existing battery storage trials to scope, plan and implement two large scale residential programs
- Develop the capability and capacity of the *Urban Sustainability Atlas* to integrate DNSP consumption data and enable regional scale economic assessment of distributed electricity generation infrastructure
- Undertake a systematic investigation of market based mechanisms, including virtual net metering, wheeling charges and 2nd tier community retailers to facilitate coordinated uptake of renewable energy generation
- Develop shared processes and policies to enable cost effective fast tracking grid connection of large scale distributed energy generation

### Contact

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## Policy: Data Exchange

### Purpose & Background

The purpose of this policy is to assist Local Governments and Energy Distribution Network Service Providers (DNSPs) to share data between sectors to deliver improved forecasting, more efficient infrastructure planning and improve reporting and communication capabilities.

### Objectives

The objectives of the data exchange policy are to:

- Ensure that energy demand is afforded that same transparency as generation and that the benefits of smart meters are realised for consumers
- Facilitate transition to new business models based on integration of data and new information products
- Establish partnerships which enable the transfer of knowledge on community demand, generation and consumption
- Facilitate better planning and management for government and distribution businesses to implement well planned, integrated energy solutions
- Expand consumer participation and self-management in changing energy markets

### Outcomes

Within the period 2014-2019, councils will seek to facilitate the following outcomes under this program:

- Develop a standard data methodology state-wide to provide reliable and consistent monitoring of local generation and consumption by location and sector, matched with data on network constraints
- Creation of an *Energy Data Hub* for aggregated data to reduce costs, maximise access
- Collaboratively identify trials of information technology alternatives in one or more network constrained areas
- Make available the modelling and outcomes of solar PV impacts (and other new technologies) on consumption and peak demand

### Contact

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## Policy: Climate Change Adaptation

### Purpose & Background

The purpose of this policy is to assist Local Governments and Energy Distribution Network Service Providers (DNSPs) to work collaboratively to increase the physical resilience of infrastructure and proactively address climate change risks.

### Objectives

The objectives of the climate change adaptation policy are to:

- reduce the risk of bushfires
- ensure street trees are valued as a community assets and all reasonable steps are taken to ensure their preservation
- reduce the number of mortalities associated with heatwave events by decreasing the cost exposure and dependence on centralised energy supply for vulnerable segments of the community
- improve energy reliability at critical facilities during climatic events (such as hospitals and designated shelters)

### Outcomes

Within the period 2014-2019, councils will seek to facilitate the following outcomes under this program:

- Replication of the Ausnet Services program that links code red/extreme fire days with critical peak pricing to reduce demand and bushfire risks within the Powercor region by summer of 2015/16
- The development of a clear, transparent and consistent process for the application of engineering solutions to vegetation management (including the recognition of all costs and the value of natural assets)
- Leverage DNSP investment and Council engagement channels (and rate based mechanisms) to install renewable energy generation on 3000 vulnerable households
- Develop a unified protocol for engagement with vulnerable segments of the community and implement pricing structures for the supply of energy that recognise financial hardship in identified segments

### Contact

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