



COMMUNITY ENERGY for Venus Bay?

Community Resilience and Reliable Energy Feasibility Study at Venus Bay

let's talk about the possibilities of community owned energy!



Keep up to date with planned community consultations via the timeline on the back. For more information scan the QR code or head to: vbcc.org.au/communityenergy

Welcome to Bulletin #8 June 2023

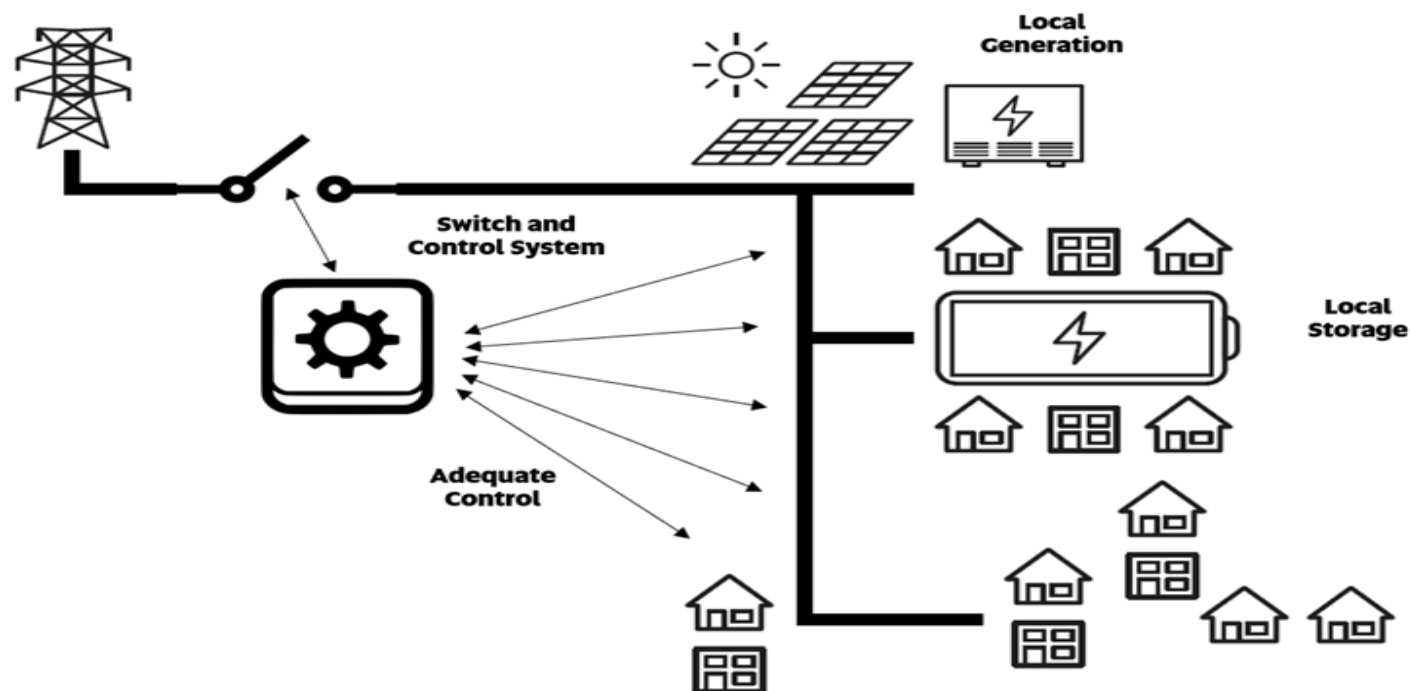
What might an energy self-sufficient community look like?

In the February Community Energy Workshop, we looked at the four key elements of a local electricity system that would allow Venus Bay and Tarwin Lower to be self-sufficient for energy. It boils down to this:

- Energy generation – we need to produce enough energy to meet our needs, in most weather conditions
- Control systems that help us to change when we use energy - shifting to times of the day that match up with when abundant solar energy is available. Our surplus solar energy can be soaked up by hot water systems and in pre-heating or cooling our homes during the day and, in future, electric vehicles. We may also need controllers to turn these big uses off when there isn't enough energy.
- Battery storage – we need batteries that can also store surplus energy and provide electricity when solar is not available. These batteries could be at single property or neighbourhood scales.

- A point for disconnecting and re-connecting – if we want to be self-sufficient by providing local, reliable energy, there will be times when we should disconnect from the grid, during outages for example, and generate our own electricity locally, for as long as the outage lasts.

Installing enough renewable energy to be self-sufficient will take a lot of effort and investment, so it won't happen overnight. Any energy efficiency upgrades or solar and battery installations on households, community buildings and businesses premises from now on will help us progress towards self-sufficiency and result in reducing the size of any neighbourhood batteries or solar generation. The main contribution of neighbourhood batteries and solar being to provide energy to households or other premises that can't install their own systems and to top up the total energy needs of everyone beyond what is met by the systems that households, community buildings and businesses do have. This top up supply from neighbourhood batteries and solar will be particularly important if outages go on for longer periods of time but may take us a while to achieve.



This diagram shows how solar and battery systems on households, community buildings, businesses and at neighbourhood scales together with control systems and disconnection/re-connection switches can all combine to enable our community to be energy self-sufficient, particularly during outages.

What organisational structures might support our community energy goals and initiatives in Venus Bay and Tarwin Lower?

Organisations come in many forms. By understanding the differences, we can ensure that the organisational structure(s) we choose for our community energy initiatives is a good match with our values and our ambitions.

We are most familiar with Associations, Co-operatives and Companies - a comparison of these can be found through this [link](#). All three business types have some flexibility in how they operate, and can achieve similar objectives – for example, they can all operate democratically and be structured as not-for-profits. The constitution (the document that establishes and is used to govern an organisation) is important in ensuring these values and ambitions are upheld.

Here are some examples of these different organisational structures:

[CORENA](#) is an incorporated association in South Australia. Incorporated Associations full under state law. Democracy and not-for-profit status are common features of associations. They also have the lowest reporting burden, though in most cases this falls on volunteers or raises costs by having to pay for services. CORENA runs a revolving fund and fundraises from individual donors. The fund has grown from nothing in 2013 up to \$560,000, mostly from small donations.

CORENA has now loaned \$1.2 million to community-based groups for energy efficiency and renewable projects that reduce carbon emissions, such as installing solar panels, energy efficiency upgrades and purchasing electric vehicles.



A separate committee of responsible persons represents the interests of donors and the public at large, ensuring that donations are spent in the way the donors and tax office expect.

Incorporated associations cannot offer shares to investors or make a profit. Charitable status also incurs extra organisational effort and costs, although there are benefits for those making donations.



Hepburn Energy, formerly known as Hepburn Wind, is a co-operative. Co-operatives are a flexible form of organisation which can be setup to distribute profits back to members (known as a distributing co-operative) or operate as a not-for-profit (a non-distributing co-operative). The basic principle is one vote for each member and co-operatives around the world follow [a set of seven principles](#) to build organisations that are fair and benefit members and their communities. Hepburn raised over \$10m to build its turbines. It followed required financial processes to sell shares in the cooperative, which formed the backbone of their fundraising efforts.



ENOVA was a social enterprise with a company structure. It was Australia's first community energy retailer before it went into voluntary administration last year when it was unable to renew electricity market contracts to underpin its electricity sales obligations. It built two things into its constitution; 1) all shareholders had a maximum of three votes making it more democratic and 2) 50% of profits were earmarked to run the charity 'Enova Community'. There are strict controls on financial processes associated with share offers, so raising the \$2m for establishing the organisation with adequate working funds to operate as a retailer was a challenge. These fundraising rules have been extended to allow for [crowdfunding](#) with smaller shares as a way to offer equity to new shareholders.

Look out for the Harvest Report from Workshop #3 – available online from May 17th.

And please put Workshop #4 – Saturday June 24th, 2023 in your diaries.

What organisational structures might support our goals continued.....

All structures require a management group or board to run the entity, and the people would need to come from our community. It is worth mentioning that many community energy projects choose to build on existing organisations or create a supporting arrangement with an organisation that shares the same goals. Many energy projects also warrant partnerships with bigger organisations. As a community, we need to consider whether there is an existing structure that we could utilise or work with, and how to assert our ambitions and values when working with partner organisations.

The examples described in this article only relate to energy solutions, but if we want our entity to be able to consider other initiatives, we will have to include this in the constitution. Some structures will also limit or prevent profit distributions, which we will need to consider if we want to pay investor dividends.

Here are some questions that our community needs to answer before it establishes any new organisations.

- What activities do we imagine doing? Where will the time and money come from?
- What experience do we have in the community for these different structure types?
- Do we want an organisational structure that is flexible to accommodate new ideas as the community and its energy transition evolves?
- Who should be a part of the membership or be able to invest?
- Are there existing structures that we could utilise or partner with?

In Workshop 4 we will explore what organisational structures might best support our community values and energy options in Venus Bay and Tarwin Lower. This is an exciting stage of the Community Energy Study and the last part to consider, as we near completion of our plan that will present the picture of what community-owned energy looks like for us.

The five potential energy pathways illustrated below are being considered for how we could support households, community groups, businesses and our whole community to improve energy efficiency and instal solar and battery systems at single property and neighbourhood scales. These pathways are based on what is already working in other communities. We need organisational structures and partnerships that enable these pathways for us.

