



May 2021

CVGA councils join the Victorian Energy Collaboration

Forty-six Victorian Councils (including 12 CVGA Councils) have signed on to VECO, the Victorian Energy Collaboration, the largest ever emissions reduction project by local government in Australia.

VECO, led by Darebin City Council in Melbourne's north, will provide 45 per cent of all Victorian Councils' electricity requirements with 100 per cent renewables, reducing greenhouse emissions by 260,000 tonnes of CO₂-e every year.

Provided by Red Energy, the 240GWh of clean power is equivalent to powering 48,000 homes with renewables or removing the emissions from 90,000 cars every year.

Initiated by and facilitated with the Victorian Greenhouse Alliances, VECO recognises the benefits of renewable energy for the environment and the economy.

The ground-breaking project will reduce each of the Council's current energy bills and reduce electricity prices by using clean renewable energy generated right here in Victoria.

VECO is expected to save Councils up to 35% on their electricity bills, based on current costs. This will vary across Councils based on energy needs.

"This project has been a long journey, and we are very excited to announce this fantastic outcome for our region. Our thanks go to Darebin City Council for leading and to all the Greenhouse Alliances and the partnering Councils for getting this project up and across the line" said Rob Law, Executive Officer of the Central Victorian Greenhouse Alliance.

"Its really been an outstanding collaboration and persistence has definitely paid off."

Darebin Mayor Councillor Lina Messina said the project was proof of what can be achieved with collaboration.

"This is a collective effort formed by staff and councillors from across the state, for the benefit of our communities," Cr Messina said.

"By powering councils with affordable renewable energy, we're making ratepayers' dollars go further. Every dollar we save on energy bills is a dollar we can put towards improving roads, footpaths, libraries or community programs."

Red Energy will provide 240 GWh of electricity per year to the 46 councils in the VECO purchasing group over a period of 9.5 years, beginning 1 July 2021.

"Given Red Energy is born and bred in Victoria, we are really excited to be a part of a project that is supporting Victorian councils, their

The renewable energy will be provided by two wind farms in Victoria – Dundonnell wind farm near Mortlake, which started exporting power to the grid in March 2020, and Murra Warra II wind farm near Horsham, which commenced construction September 2020 and will be fully operational by June 2022.

Both wind farms have and will continue to deliver economic benefits to the regions during construction and ongoing operation, and form an important part of state, regional and local economic development.



A long journey

The VECO project is a fantastic story about collaboration and leadership. It began more than 5 years ago when the Victorian Greenhouse Alliances worked with councils to understand opportunities to rapidly transition to 100% renewable energy. A working group was formed with councils across the State that explored behind the meter opportunities (i.e. rooftop solar and energy efficiency etc.), owning and operating renewable energy facilities such as a solar farm (eg. Newcastle City Council) and forming a large buyers group to enter into a long term Power Purchase Agreement (PPA).

In 2017, the Victorian Greenhouse Alliances released a discussion paper titled '[electricity procurement in the local government sector](#)'. Soon after the CVGA undertook a project called [Social Energy Procurement](#). This project provided councils with a decision making framework to determine which investment and procurement models best align with their strategic objectives. It also mapped out the risks and opportunities associated with different energy models and ways to support local community energy groups.

Councils have continued to progress behind the meter/onsite renewable energy opportunities as well as some councils exploring other innovative models such as Virtual Power Plants. In addition, Councils are also continuing to explore transitioning away from natural gas by electrifying facilities and where possible other bioenergy options (eg. hepburn shires biodigester project).

In 2018, the Greenhouse Alliances and the council working group decided to proceed to a business case for a Power Purchase Agreement (PPA). Darebin City Council agreed to lead this work and proceeded to develop the business case with the partner councils and the alliances. The business case demonstrated clear environmental and financial benefits for proceeding with a group purchasing arrangement and helped councils to identify the types of contracts suitable for their needs.

Over the past year and a half the group have worked through a tender process and have now signed and sealed on to purchase 100% renewable electricity for their operations from Red Energy (see above).

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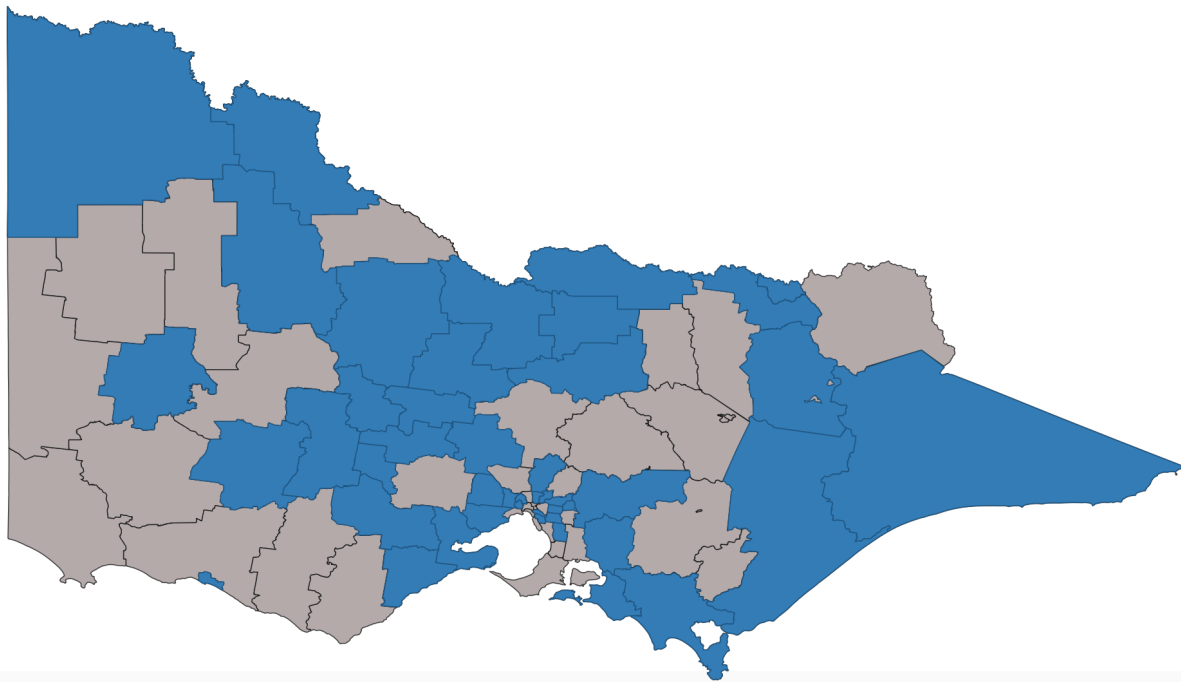
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Councils have done an outstanding job in making this project work and keeping the momentum and interest going over a number of years (thanks Hugh, Michelle and Ben especially!). The project team across the greenhouse alliances have also given this project so much of their time and energy, as well as all of the officers and councillors across the region who have championed this project over the past few years. A project like this has required engaging at least 500 decision makers across the 46 councils (executive teams, councillors etc.), and often at multiple times throughout the project!

A great outcome for Victoria and an important demonstration of leadership on climate change.

Which councils are involved?



The above map shows the diversity of Councils involved in the VECO project (shaded in blue). It is great to see such a diverse mix of regional, rural and metropolitan councils invest in renewable energy. The 46 VECO Councils are: Alpine Shire Council, Ararat Rural City Council, Ballarat City Council, Banyule City Council, Bass Coast Shire Council, Borough of Queenscliffe, Brimbank City Council, Buloke Shire Council, Cardinia Shire Council, Campaspe Shire Council, Central Goldfields Shire Council, City of Greater Dandenong, City of Greater Geelong, Darebin City Council, East Gippsland Shire Council, Glen Eira City Council, Golden Plains Shire Council, Greater Shepparton City Council, Hepburn Shire Council, Greater Bendigo City Council, Horsham Rural City Council, Indigo Shire Council, Loddon Shire Council, Macedon Ranges Shire Council, Manningham City Council, Maribyrnong City Council, Maroondah City Council, Melton City Council, Mildura Rural City Council, Moira Shire Council, Monash City Council, Moonee Valley City Council, Mount Alexander Shire, Pyrenees Shire Council, South Gippsland Shire Council, Stonnington City Council, Surf Coast Shire Council, Strathbogie Shire Council, Swan Hill Rural City Council, Warrnambool City Council, Wellington Shire Council, Whitehorse City Council, Whittlesea City Council, Wodonga City Council, Wyndham City Council, and Yarra Ranges Shire Council.

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