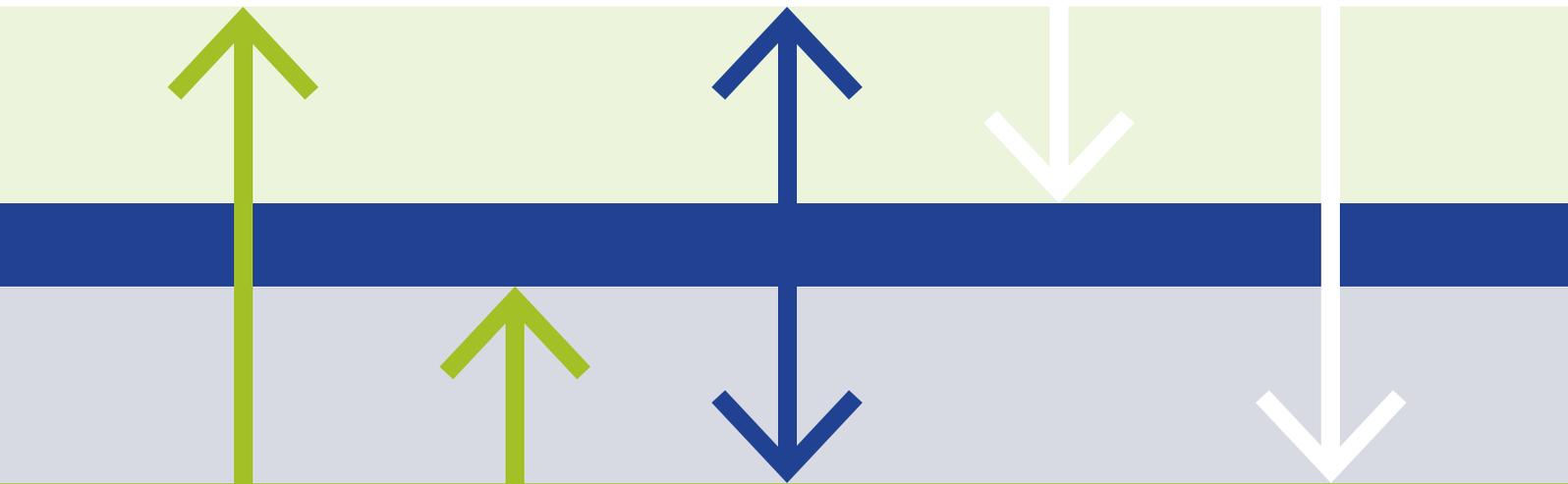




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FUTURE ENERGY PLANNING

Improving collaboration between electricity networks,
local and state government planning

July 2017

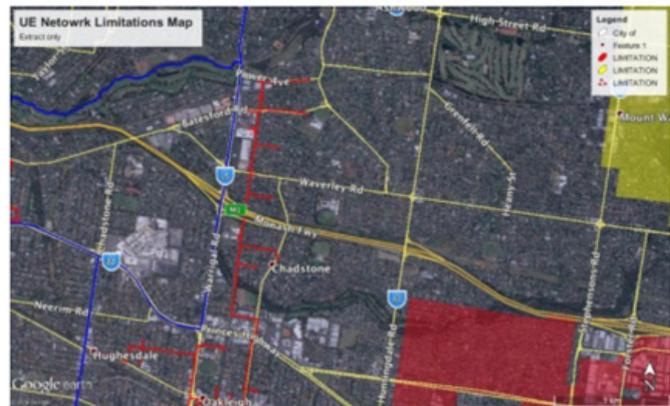
INTRODUCTION

In Victoria, electricity network planning and land-use planning occur largely in isolation, meaning long term, sustainable energy options for integrating demand and supply side opportunities are often missed. The Future Energy Planning project seeks to improve collaboration and information sharing between local and state government and electricity network planners.

Under Victoria's planning system local councils and the State Government develop planning schemes to control land use and development. Similarly, electricity distribution networks forecast future energy demand across their networks and plan infrastructure build under the rules and regulations of the National Electricity Market (NEM).

Despite the implications land use planning has for local energy use and demand patterns, existing regulatory requirements do not require either sector to synchronise their respective planning processes. By contrast, integration of water in the planning process is much more mature, with active cross sectoral collaboration, early engagement on new developments and robust considerations of up and downstream impacts. It is critical that these approaches are transferred to energy planning to ensure that opportunities for well-planned integrated energy solutions are captured.

The Northern Alliance for Greenhouse Action (NAGA) and the Eastern Alliance for Greenhouse Action (EAGA) have recently undertaken a project called Future Energy Planning. The project was funded through a grant from Energy Consumers Australia and was facilitated by Ironbark Sustainability. This project aimed to support and encourage local governments and electricity networks to work co-operatively on well planned integrated energy solutions by:



- » fostering engagement between networks and state and local government planners to co-operatively create planned, integrated energy solutions;
- » sharing data and developing resources to identify cross sector planning opportunities in areas of the network that are constrained; and
- » establish a replicable process for the identification of integrated energy solutions not currently supported by the existing regulatory processes.

A cross sector forum was held in October 2016, with approximately 100 attendees, comprised of staff from all five electricity distribution networks in Victoria and local and state government representatives. Following the forum, 5 targeted workshops were held within each network area and their respective councils.



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Findings

There is no formal process through which local government and electricity networks collaborate on an ongoing basis. This lack of co-ordinated collaboration means that land use and network planning decisions are less efficient and effective than they could be.

The project found that:

- » Both sectors collect data that would be useful to share in a more systematic and regular way
- » There are effective processes and lessons that can be taken from cross sector approaches to water planning including in the overall design of engagement, referrals and funding.
- » Councils have limited understanding of electricity networks, capacity and constraint issues
- » Networks could seek to provide more accessible information on network constraints (eg. United Energy and Jemena constraint maps)
- » Both sectors would benefit from understanding corresponding planning process and regulatory obligations
- » Existing powers within the land use planning system are poorly utilised to improve the outcomes for energy planning
- » Councils are unsure on when, what and who to refer to networks for new developments
- » Networks don't often have capacity to respond to local government planning referrals
- » Councils are undertaking many projects that involve new energy technologies and demand management projects that are of interest to networks
- » There are significant opportunities for partnerships between councils and networks on pilot projects and new energy solutions

Recommendations

The project revealed multiple opportunities to achieve a more collaborative and integrated approach to the energy system between local and state government and electricity networks. The following recommendations are priority areas for further action.

STATE GOVERNMENT

1. Work with the Municipal Association of Victoria, electricity networks, the Planning Institute of Australia, and the Department of Environment, Land, Water and Planning (DELWP) to develop a cross sector capacity building program that covers:
 - » where planners could collaborate with networks on an ongoing basis and at strategic points such as the Distribution Annual Planning Report process and the four-yearly review of planning schemes
 - » how local planning policies in planning schemes could be updated to better facilitate new energy technology deployment and alignment with council carbon reduction strategies where relevant
 - » ensure adequate consultation occurs with networks during the Growth Area Planning Process; and
 - » develop capacity building/training for council planners to ensure effective liaison during the planning process with networks to ensure development design that integrates future energy solutions
2. Update State Planning Provisions and relevant Planning Guidelines and practice notes to better support the uptake of new energy technologies to align with the State Government Climate Change Act, Renewable Energy Target and Plan Melbourne Refresh
3. Ensure Plan Melbourne Refresh is used as a basis to update councils' Municipal Strategic Statement calling for lower



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carbon outcomes in new development and better collaboration with networks

- Victorian Planning Authority to work with councils and networks to update the provisions of Section 66 (Referral and Notice Provisions) of the State Planning Provisions. Currently this clause does not require the mandatory referral (under Section 55 of the Planning and Environment Act 1987) of large developments such as apartment towers or development that will have a significant impact on the network. Improving this referral section would mean better mandatory collaboration between councils and networks.

LOCAL GOVERNMENT

- Share land use planning data in a suitable format with relevant networks to inform respective planning processes
- Collaborate on modifying the relevant practice notes and Precinct Structure Planning guidelines to better require consideration of new energy technologies and standards for developers.
- Consider options to incentivise new energy technologies within new developments (including removing relevant planning restrictions).
- Confirm potential to leverage voluntary notification of certain development types under Section 52 of the Planning and Environment Act (as opposed to Section 55). And /or work with the VPA to update the provisions of Section 66 of the State Planning provisions to ensure certain development types are mandatorily referred under Section 55 of the Planning and Environment Act.
- Liaise with Victorian Planning Authority regarding the consistency and efficacy of consultation with networks during the growth area planning process
- Establish ongoing communications between networks and councils through a range of workshops as outlined in Section 4 of the final Future Energy Planning report.
- Councils engage with networks to consider broader opportunities to recruit sites for identification and aggregation of demand management and future energy technologies
- Greenhouse Alliances to develop and maintain a contact list of key points of contact from each stakeholder

ELECTRICITY NETWORKS

- Networks and councils to establish regular and systematic information sharing through a range of workshops as outlined in Section 4 of the final Future Energy Planning report
- Networks to work with councils to identify opportunities for partnership programs on non-network solutions, particularly where business or community engagement is required
- Leverage the Greenhouse Alliance network to establish and maintain an issues based cross sector contact list
- Liaise with relevant councils and the VPA around consultation during the Growth Area Planning Process
- With councils discuss requirements to future proof new developments at the earliest stage
- Networks work to develop more transparent and accessible information for local governments to understand network capacity at a local level (e.g. the United Energy and Jemena online network constraints maps)



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Conclusion

The Future Energy Planning project revealed the overwhelming and shared desire for local government and networks to improve collaboration on energy planning and future energy technology projects. The energy sector is going through rapid change and all parties are keen to maximise the benefits of this change for their ultimate client – the community.

Maximising value will come through a better understanding of each other's processes and regulatory obligations, ongoing information and data sharing activities, partnering on new energy technology projects and programs and through policy change, locally where possible or through advocacy to the State Government.

In the short term the key actions will involve simply ensuring relevant contacts and roles and responsibilities are known and currently held data sets are shared. It will also involve reciprocal attendance and presentations at workshops and forums to start the capacity building process.

In the medium term it will involve process and policy improvement to better facilitate an integrated approach to energy planning. This will require partnerships to systematically deliver pilots and trials for new energy technologies.

In the long term it will involve working with the State Government, energy regulators and the Energy Networks Association to drive policy change and to ensure the opportunity to improve the future energy planning process and contributions from all stakeholders is fully understood. Long term the projects will move beyond pilots and will support and drive large scale change in the energy sector in alignment with community goals.

To achieve this, all parties will need to be proactive and play their part in facilitating actions to bring about the desired changes, partnerships and projects. NAGA and EAGA, with support from Energy Consumers Australia, have been the catalyst for bringing a holistic lens to the current issues and opportunities around future energy planning. To ensure an aligned and integrated approach to future energy planning moves beyond this scoping phase will require the ongoing support and commitment of networks, local and State Government.

The full project report can be found [here](#).

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