



a short guide to starting a community renewable energy project

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Communities across Australia are coming together to make the most of their clean energy potential by establishing solar, wind, bioenergy and hydro-power projects that involve and benefit local people. This is a short guide to starting such a project in your own community. This guide has been prepared with the financial support of the NSW Government, through the NSW Office of Environment and Heritage's Regional Clean Energy Program.

WHAT is community renewable energy?

Community-owned renewable energy projects are those that help decarbonise, decentralise and democratise our electricity system and demonstrate that renewable energy technologies work. They develop local renewable energy resources for electricity, heat and fuel in ways that:

- ▲ reflect the motivations and aspirations of the local community;
- ▲ maximise local ownership and decision making;
- ▲ share the financial benefits widely;
- ▲ match energy production to local usage.

One of the strengths of community renewable energy is that every project is slightly different, being tailored to each community's needs and context.

WHY is community renewable energy important?

Community-owned renewable energy projects create social, political, environmental, economic and technological benefits by:

- ▲ strengthening local economies;
- ▲ building community participation, resilience & empowerment;
- ▲ educating people about renewable energy and involving them in creating a sustainable low-carbon future;
- ▲ directly and significantly reducing a community's carbon footprint;
- ▲ developing renewable energy industries, technology, jobs and training.

HOW to get started

The early stages of a successful community-owned renewable energy project depends on a small group who are able to commit volunteering their time over a sustained period. It might be an offshoot of an existing organisation, or it might be a new group. Ideally this core group will have skills in community engagement, an interest in technical detail and some expertise in project management. Financial, legal and fund-raising skills are also important but these can come in a bit later.

Engage your community

Why? People form the foundation of a community-owned renewable energy project and community support is critical to success. Getting people on board with the project vision will build your base of champions in the community and, ultimately, these people will become your investor base.

What? Gauge the level of support, identify and recruit active members, identify partner organisations, educate the public about renewable energy options, build a database of supporters. How? Website, newsletters, street stalls, articles in the local paper, guest speakers, public meetings, site visits to other community renewables projects, brainstorming workshops, events, celebrations, drop-in information sessions, etc.

Define your vision

Use your community engagement process to create a shared vision for your local project:

- ▲ Why are you doing it? What social, environmental and economic benefits drive your project?
- ▲ What is the 'community' you are reaching out to?
- ▲ What technology will you use and what is the scale of the project?
- ▲ How will the benefits be shared?

Choose a technology

Some projects start with a particular technology or local energy resource as part of their vision. Others are driven by wider goals and undertake an investigation of possible technology options that suit local circumstances. After initial discussion and investigation, you will need to choose a technology, scale and site before you can develop the detail of your project. Typical technologies are wind, solar PV, small hydro and biomass. Each has distinctive implications for the scale, location, cost, timeline and complexity of your project. A pre-feasibility study can scope the practicality, likely cost and potential barriers to your chosen technology.

Developing the detail of your project

The combination of a community vision and a choice of a particular type and scale of technology will form the basis of a CORE project proposal. This is likely to include considerations of:

- ▲ How will the project be developed: as a community organisation to which people donate? As a new legal entity (eg co-operative or company) in which the community invests? As a partnership with a planned commercial renewable energy development?
- ▲ Who are the key partners you need for the project to succeed? These could include dedicated CORE support organisations,



Westmill Solar Cooperative, UK.
Courtesy of www.westmillsolar.coop.



Wildpoldsried, Germany.
Courtesy of Jarra Hicks.



Hepburn Wind, Victoria, Australia.
Courtesy of Karl von Moller.



Westmill Solar Cooperative, UK.
Courtesy of www.westmillsolar.coop.



Hepburn Wind, Victoria, Australia.
Courtesy of Jarra Hicks.



Wildpoldsried, Germany.
Courtesy of Jarra Hicks.

fundes, a community bank, an electricity retailer, your local council, a law firm, an engineering consultant, a commercial renewable energy developer etc.

- ▲ What legal structure best suits your purpose and values?
- ▲ Who will be involved in making what decisions?
- ▲ How will the project be funded, constructed and operated?

Developing the business model

All the decisions above feed into a business model. If you are intending to raise money from the public this will form a crucial part of your fundraising document. Even for smaller projects the business model needs to define:

- ▲ What the project will cost, how much you need to raise, by what means and at what time.
- ▲ How the energy generated and other products (such as Renewable Energy Certificates) will be used and sold, and what income will be received.
- ▲ What return investors are likely to receive and what other financial and other benefits will be distributed to the local community.
- ▲ How operating, maintenance and decommissioning costs will be planned for.

Your business case needs to set out the assumptions behind your calculations and test that the project is viable in the longer term if circumstances change.

Making it happen

At some point you will know if your project is ready to become a reality. You may be about to launch a capital raising campaign, set up a new organisation or sign a contract with a key partner organisation. Key issues you will need to focus on now are:

- ▲ Do you need to employ someone to coordinate everything?
- ▲ The dynamics of fundraising: Will you reward early investment, how will you maintain fundraising momentum, what will you do if you don't reach the target?
- ▲ How are you managing relationships with key stakeholders?
- ▲ Who is providing the technical and project management expertise to make sure the project is built to the required budget, timeline and quality?

Enjoy the journey

If you are thinking of embarking on a CORE project, you are part of a vital and rapidly growing movement in Australia. There are enormous opportunities for these projects and there are many organisations and individuals who can help you. Developing your own project will take more time and effort than you expect, but the rewards will be greater as well. Not every proposed project will become a reality but there will be many and surprising benefits along the way. Enjoy the journey, pace yourself for a marathon not a sprint, celebrate the milestones on the way, have fun and remember:

“Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has!” - Margaret Mead

Top 3 resources recommended to help you get started:

▲ Embark

www.embark.com.au

The Embark website provides a comprehensive Australian specific overview of community renewable energy, including practical capacity-building tools. It also showcases different examples of successful community energy projects from around the world as well as having important Australian specific information.

▲ PlanLoCal

www.planlocal.org.uk/pages/renewable-energy

PlanLoCal have developed a great range of online videos to help groups familiarise themselves with the process of establishing a CORE project and what it involves, as well as understanding renewable technology options better.

▲ Community Energy Scotland

www.scotland.gov.uk/Resource/Doc/917/0115761.pdf

This comprehensive toolkit has been produced by Community Energy Scotland for the Scottish Government and Energy Saving Trust to help community groups to develop renewable energy projects as well as pursue energy efficiency activities. The guide is more technologically oriented and also provides practical information for community groups undertaking renewable electricity or heating projects.

The full version of the Community Renewable Energy How to Guide and links to many more resources can be found at:

www.cpagency.org.au/resources