Local Energy Hubs:

Policy summary

Local Energy Hubs *are a proposed network of 50 independent, government-funded service centres in regional areas, empowering locals to actively participate in and benefit from the clean energy shift underway.*

It will do this by being a trusted local hub for information, support and coordination actively building the social licence required for the clean energy shift. Local Energy Hubs will become a long term Government initiative for regional Australia alongside Landcare and Regional Development Australia. The network approach will provide extensive opportunities for collaboration & coordination on critical energy projects including transmission, solar, wind, storage and offshore wind.

What is a Local Energy Hub?

- **A physical drop-in centre, staffed by well-networked, respected local people**, who are independent from industry. Their role is to demystify the energy transformation, bolster local engagement in these projects, and facilitate constructive interactions between energy developers and the community.
- **The hubs deliver programs that are sensitive to local context**, supporting agriculture to develop decarbonisation strategies, supporting community-led energy projects and improving energy literacy to help households and businesses reduce their energy bills.
- **They are supported by a national coordinating body to enable knowledge sharing, collaboration and coordination between hubs**, and provide technical support.

What problems do the Local Energy Hubs solve?

From farmers in tractors protesting transmission lines, to offshore wind opposition groups, for too long the social dimension of our energy transformation has been ignored or under invested in. These are symptoms of community engagement not done well, bad faith actors who weaponise people's fear and uncertainty which combined deter supporters to publicly back key projects required.

- **Weak trust of government in regional communities** to respond to their real and perceived concerns about the energy transformation and how it will affect communities, businesses and the environment.
- **Bad faith actors weaponising misinformation and fear** for political gain, both from political actors and resourced astroturf groups.
- **Risk of communities actively opposing** new projects including taking legal actions.
- **Lack of accessible and credible national communications strategy** on the energy transformation from the Federal Government.
- **Delayed rollout of renewable energy infrastructure**, impacting the ability to meet the Federal Government's 82 percent renewable energy target by 2030.

What are the benefits of Local Energy Hubs?

- **Strengthen social licence** through fostering local leadership and champions of change that can cultivate better engagement in project development and deeper understanding of the benefits of renewable energy. Local Energy Hubs recognise the role of regions in hosting transmission, storage and generation infrastructure for the shift to renewables.
- **Ensure the benefits from our energy transformation are shared.** Local, trusted hubs will enable high-quality and context-appropriate communication about the initiatives that benefit the local community, as well as the broader benefits of the energy shift. The national coordination body will help to ensure community benefits are consistent across state jurisdictions.
- **Address local needs and opportunities**. Regions have different needs and opportunities, Hubs can realise this by delivering targeted programs and projects that people want.
- **Maximise energy literacy** to reduce barriers for existing state & federal household solar, energy efficiency and electrification programs through local dedicated engagement that builds understanding of key opportunities. These activities would be combined with education on why certain infrastructure is needed and how it can benefit communities and regional economies.
- **Centralise engagement** for the multiple renewable energy developers, state agencies and others to connect with the local region and understand its specific context. Hubs would maintain independence and without speaking on behalf of their community, the staff can help coordinate community engagement and feedback while reducing consultation fatigue.
- **First Nations rights, participation and benefits** lending tailored capacity to First Nations organisations and communities interested in starting community energy projects, identifying renewable off-grid solutions in remote places or to support negotiations with energy companies.

How would Local Energy Hubs be governed?

Terms of reference and governing panels: The Federal Department of Climate Change, Energy, the Environment and Water would draft and consult on the terms of reference for Energy Hubs Australia, the federal entity responsible for instituting and networking Local Energy Hubs. The terms of reference should include the appointment of a governing panel of community development, renewable energy, and other key experts to be selected by the Federal Energy Minister using clear merit-based criteria. The terms of reference will also outline the functions of Energy Hubs Australia.

Energy Hubs Australia: Local Energy Hubs would be connected by a national coordinating body, Energy Hubs Australia, which will support the work of hubs with in-house community development and renewable energy expertise, and by facilitating knowledge-sharing to tackle specific sector decarbonisation challenges, such as farming.

Local Independence: Just like Regional Development Australia or Landcare, each local hub will have the independence required to develop locally relevant priorities with local councils and communities, in line with their mandate. In some communities, acting as a central point of contact for community engagement around a renewable energy zone might be the priority. In others, it may be reaching rural and remote communities to help tailor a renewable energy solution that works for them.

Net Zero Authority: Local Energy Hubs would complement the work of the Net Zero Authority, through adding a community partner that can interface with the Authority's programs and policies at a local level.

What will Local Energy Hubs cost?

To fully fund a national network of 50 Local Energy Hubs and their coordinating body, Energy Hubs Australia, at the scale required to make a material difference in the lives of regional communities and therefore, build social licence for renewable energy, storage and transmission, we estimate the Federal Government will need to make **an investment of at least $150 million annually for 10-15 years.**[1] This is the resourcing required to have several staff in each Hub with funds for grant programs and engagement activities.

Accelerating the energy transformation to meet the Federal Government's 82% Renewable Energy Target in 2030 through addressing a key barrier- social licence - can save $31 billion while lowering consumer power prices.[2] While a high degree of flexibility will be needed to ensure these institutions remain strategic and deliver for their communities, the long term commitment is critical to secure the time, depth of trust and continuity required to earn trust and social licence.

What will Local Energy Hubs do?

Local Energy Hubs will have a variety of functions depending on the geography, needs and aspirations of the local area. A key first step for each hub is to work collaboratively with local leaders and community members to identify regional priorities.

➔ **Enable better engagement with large-scale renewable energy projects and transmission lines:** Local Energy Hubs can play a role in untangling industry jargon for communities set to host large-scale wind, solar, storage and transmission projects. They would promote opportunities for local input into consultations. For industry, Hubs could provide locally informed, clear expectations on how local communities would like to be engaged and participate in large-scale project plans.

➔ **Create better Community Benefit Sharing:** Local Energy Hubs can help locals understand what they can ask for and negotiate with industry to get the best possible long-term outcomes for their community. Working with local Councils will be important here.

➔ **Cultivate clean energy champions:** Local Energy Hubs will inspire existing and emerging community leaders in their local networks to lead in the shift to renewables. A leadership program will be developed to support local partner groups to nurture these community leaders and extend their capacity and knowledge so they can become champions for renewable energy and their community.

➔ **Facilitate household electrification & energy upgrades:** Rooftop solar, household batteries, electric vehicles and upgrades for cooking and heating systems are a big part of the shift to renewables. Local Energy Hubs will help communities navigate what to look for when thinking about household upgrades and promote government incentive and loan programs to increase the energy generation and efficiency contribution of households via a drop-in centre and running workshops.

➔ **Unlock community energy projects:** How do we fund solar panels for the community sports centre? How do we start a community battery or solar project? Local Energy Hubs will have the resources to run feasibility studies and provide expertise on how communities could lead and benefit from such projects. This could involve coordinating a community bulk-buy of heat-pumps for example. farming businesses create decarbonisation plans.

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[1] A phasing option could be adopted to roll out Local Energy Hubs, starting from ~$33m/year for a 10-hub sized program, growing up to ~$150m/year for 50 hubs
[2] Nexa Advisory, 2023, '[Eraring can be closed on schedule Report](#)'

Functions that the Hubs _would not_ perform include:

➔ Building large-scale projects (large-scale is > 10MW)
➔ Running engagement process **for** developers or government agencies
➔ Lobbying on topics outside of their local regions
➔ Making formal planning decisions
➔ Directly managing benefit-sharing from large-scale projects
➔ Making submissions on policy or projects
➔ Speaking on behalf of local stakeholders

Appendix - Where could Local Energy Hubs be located?

A network of at least 50 strategically located hubs would be located in identified Renewable Energy Zones and key regional centres. Regional centres have been chosen because of their proximity to large-scale projects.

The below are indicative locations based on Renewable Energy Zones and renewable energy developments. Final locations should be subject to a review of renewable energy state policy frameworks and public engagement.

New South Wales
1. Armidale - New England REZ
2. Walcha - New England REZ
3. Cessnock /Newcastle - Hunter REZ
4. Dubbo - Central West REZ
5. Hay - Southwest REZ
6. Wollongong - Illawarra REZ
7. Broken Hill
8. Wagga Wagga - South West REZ/Humelink
9. Narrabri - North West REZ
10. Moruya/Cobargo - Cooma-Monaro
11. Northern Rivers - Casino/Lismore
12. Goulburn
13. Tumut - Tumut REZ
14. Cooma - Cooma-Monaro REZ

Victoria
15. Warrnambool - South West Vic REZ
16. Portland - South West Vic REZ
17. Horsham - Western Vic REZ
18. Ballarat - Western Vic REZ
19. Bendigo - Murray River REZ
20. Mildura - Murray River REZ
21. Shepparton - Central North REZ
22. Mansfield - Ovens Murray REZ
23. Sale/Traralgon - Gippsland REZ
24. Wonthaggi - Gippsland Coast 2
25. Yarram - Gippsland Coast 1
26. Woodend
27. Maldon/Castlemaine
28. Albury/Wodonga

Queensland
29. Cairns - Far North QLD REZ
30. Townsville - Collinsville REZ/Northern QLD REZ
31. Georgetown - North QLD Clean Energy Hub
32. Mackay - Northern QLD REZ
33. Rockhampton - Isaac & Capricorn REZ
34. Gladstone - Calliope REZ
35. Biloela - Callide REZ
36. Gympie - Wide Bay REZ
37. Toowoomba/Dalby - Darling Downs REZ
38. Barcaldine - Barcaldine REZ

South Australia
39. Whyalla - Northern SA REZ
40. Robertstown or Burra in Mid-North SA REZ
41. Port Pirie

Tasmania
42. Burnie - Northwest Tas REZ
43. Smithton - Northwest Tas REZ
44. Derby/Scottsdale - Northeast Tas
45. Miena - Central Tas
46. Campbell Town - Central Tas

Western Australia
47. Collie - WA
48. Karratha - WA

Northern Territory
49. Tennant Creek - NT
50. Alice Springs - NT