

### Clean Energy Options for Apartments

25 February 2020



### Contents

Introduction and background	03
GreenPower and retailing	08
Energy Sharing	09
Offsite and Collective Energy	15
Q&A discussion	







The Australian Energy Foundation is leading the way to an equitable zero carbon society.

Our role is to accelerate the energy transition by empowering communities to take action.

### Why Apartments?

 1.4 Million apartments housing 10% of the population – traditionally excluded from the benefits of the energy transition

• 1 in 3 of all new dwellings are apartments

 Owners corporations manage the common areas

 Energy used by common property can account for up to 60% of a building's total energy consumption, and 25% of Administration Fund levies.





# Barriers to clean energy

- Upfront cost of renewables
- Available roof space
- Common area power is not the whole story
- Exclusion from Solar Victoria rebate scheme
- Strata industry
- Legislative and regulatory framework
- Decision making process and the owners corporation.





### **LED Lighting**

#### Before you do anything else!

Energy Efficiency Savings - Anstey Square					
	CURRENT	POST IMPLEMENTATION	SAVINGS	% SAVINGS	
Annual Energy Consumption (kWh)	226,300	90,319	135,981	60%	
Annual Lighting Consumption (kWh)	173,312	37,331	135,981	78%	
Annual Site Energy Costs (\$)	\$47,523	\$18,967	\$28,556	60%	
Annual Lighting Costs (\$)	\$36,396	\$7,839	\$28,556	78%	
Annual Maintanance Savings		\$6,812	\$6,812		
TOTAL ANNUAL SAVINGS		\$35,368.00			
Annual Return on Investment		65%			
Monthly Savings			\$2,947.00		
Estimated Savings Over 10 Years			\$405,200.00		
Annual Emissions Savings		176,776 kg CO2			

Example: 100+ Units in Brunswick

Starting Investment	<b>\$54,452.94</b> ex GST		
Rebate Applied	\$24,405.11		
Rental Period	5 years		
Monthly Rental	<b>\$1,075.53</b> ex GST		
Ahead by \$1,872 per month after rental payments			



### **GreenPower and Energy Retailing**

- GreenPower is government certified renewable energy
- Paying extra for GreenPower means your retailer sources renewable energy to be added to the grid on your behalf
- Options to purchase 25%, 50%, 100% green power.



- Other considerations beyond GreenPower:
- Some retailers are more involved in and supportive of local energy trading, demand response and community energy than others
- Powershop, Momentum energy, Energy Locals
- More and more retailers (slowly) coming to the table.



### **Energy Sharing: Allume Solshare**

- Well Suited for building of 5-100 units
- 35-55% higher on-site consumption when compared to individual systems
- Just 1-1.5kW per apartment to gain up to 40% reduction in energy bills
- Full system monitoring via an online portal
- Full billing capability for PPA installs
- Keep your existing retailer
- The system can be sold outright or delivered under a PPA agreement.
- Can be cash flow positive from day one





### **Case Study: Brunswick East**



- 12.6kW solar system
- All 8 units and 2 shops and common areas are connected
- Payback within 5 years
- Offset 40% total usage
- Annual carbon savings: 20 tonnes
- 20 year savings: over \$60,000

### V<u>ideo</u>



### **Energy Sharing: Existing embedded networks**

- Electrical sub metered system for the entire building behind one "gate" or "parent" meter
- Opportunity for one solar system to power the whole building
- Existing Embedded Network Operator (ENO) may be willing to invest in a solar system and on sell the energy to residents
- You may need to switch ENOs.



### **Energy Sharing: New embedded networks**

- One supply charge, one discount bulk contract for the building can mean significant savings
- Can bulk purchase GreenPower for the whole building while still getting a competitive tariff
- Cost of the embedded network and solar system can be negotiated as a power purchase agreement (PPA) or simple lease/loan arrangement with the operator
- Can be cash flow positive from day one
- Metropolis Metering, Green Guys Group, Enervest.

• The decision making processes for the owners corporation (OC) is more complex...



### **Case Study: Brunswick**

#### New embedded network

- 39kW Solar system
- 50 Units
- Payback within 4 years
- Offset 25% total usage
- Annual carbon savings: 60 tonnes
- 20 year savings from solar: over \$200,000
- Ongoing revenue stream for OC
- 19c/kWh electricity for residents
- However...



### Off site and collective energy

- Very much an emerging space
- Ovoid residential offsite solar contracts with 'the big 3' retailers
- Growing number of retailers and digital platforms that allow for offsite and onsite energy generation, sharing and trading. often called Virtual Power Plants (VPPs)
- Powerledger, Solar Cloud, Enosi, Enova, Momentum energy, LO3 energy, wepower
- Usually require all involved to be with a single retailer although more retail and solar partners coming on board
- Opportunity to set up an energy community within or between a number of apartment buildings in Port Phillip and/or Stonnington
- Investing in a community energy project





Australian Energy Foundation

Allume Energy - Solshare

<u>Metropolis metering</u> – Embedded networks

<u>Green Guys Group</u> – Allume Solshare, embedded networks, PPAs

Enervest – Offsite Solar, embedded networks, PPAs, VPPs

<u>Community Solar Portal</u> – Community solar investment

<u>Melbourne Renewable Energy Project (MREP)</u> - Port Phillip Power Purchasing Agreement

### **Q & A**



## Thank you

For more information please contact Daniel Beaton at daniel.beaton@aef.com.au

