

3 September 2013

Ms Monica Barone
Chief Executive Officer
City of Sydney
GPO Box 1591
SYDNEY NSW 2001

Attn: Nik Midlam
Via email: renewables@cityofsydney.nsw.gov.au

Dear Ms Barone,

RE: City of Sydney's Renewable Energy Master Plan

Thank you for the opportunity to provide a submission regarding the City of Sydney's Renewable Energy Master Plan. The Green Building Council of Australia (GBCA) supports, in principle, initiatives, policies and regulations that contribute to lower greenhouse gas emissions and help to reduce the environmental impacts attributed to the built environment. We commend the City of Sydney for demonstrating its commitment to reduce greenhouse gas emissions within the City of Sydney's Local Government Area (LGA) through the use of renewable energy technology.

The GBCA supports the intention of the master plan and notes that the City of Sydney must be supported by industry and state and federal government bodies if the master plan is to be fulfilled. We believe that, to deliver the targets laid out in the plan, there must be regulatory reform and a range of barriers must be addressed. We recognise that the City of Sydney will not be able to address all barriers or regulatory reforms alone, but we encourage the City to consider offering a range of incentives to encourage the uptake of renewable energy systems.

About the GBCA

The GBCA is the nation's authority on sustainable buildings and communities. Our mission is to accelerate the transformation of Australia's built environment into one that is healthy, liveable, productive, resilient and sustainable. We work together with industry and government – including long-term and forward-thinking GBCA member organisations such as the City of Sydney – to encourage policies and programs that support our mission. We educate thousands of people each year on how to design and deliver sustainable outcomes for our buildings, communities and cities. We also operate Australia's only national, voluntary, holistic rating system for sustainable buildings and communities - Green Star.

The GBCA is also a founding member of the World Green Building Council (WorldGBC), which was established to provide a federated 'union' of national green building councils with a common goal to support the sustainable transformation of the global property industry; there are now 97 such councils, and Australia plays a leading role both worldwide and around the Asia Pacific.

The GBCA has a strong relationship with the City of Sydney, and we are grateful for the support the City has provided over the years including sponsorship of the Green Star – Communities national framework and rating tool, the Green Star – Public Building rating tool and the Green Star – Multi Unit Residential rating tool. The City of Sydney has demonstrated visionary leadership by championing the development of these rating tools and supporting the transformation of the property industry, particularly through initiatives such as the Better Buildings Partnership.

Comments on ‘enabling actions’:

Item 2 - Reflect the low-carbon ‘Infrastructure Zones’ in the City’s development control plan

The GBCA supports the objective of connecting a city and its built environment to renewable energy systems. The GBCA supports, in principle, the City of Sydney setting voluntary renewable energy targets for new developments and offering financial and non-financial incentives and/or capacity-building programs to assist new buildings reach the targets set. Examples include rebates for technologies that enable the building to reach the set performance requirement, subsidised technical assistance, case studies, and free or subsidised access to consultants (e.g. ‘speed-date’ an ESD consultant or a building engineer).

Councils in Victoria, such as the City of Port Phillip, have implemented a program called the Sustainable Design Assessment in the Planning Process (SDAPP). SDAPP requests proponents looking to develop residential and non-residential developments that exceed 50m² of new floor area to voluntarily detail how they will meet certain sustainability objectives, including on-site electricity generation. Although this is a voluntary program, in the year 2012-2013, the City of Port Phillip found 74 per cent of developers seeking a planning permit chose to follow the SDAPP program requirements.

This type of voluntary framework could assist the City of Sydney to achieve multiple goals such as renewable energy, energy efficiency and green wall targets whilst at the same time build industry’s awareness and capacity to consider these initiatives at the planning stage.

Item 4 - Low carbon zone recognition scheme

The GBCA supports the proposal to recognise buildings that have connected to a precinct-based renewable energy system. The GBCA would also encourage the City of Sydney to recognise buildings that have on-site renewable energy technologies, not only to celebrate successes, but to generate greater awareness of different technologies that can be implemented. The City could also consider administering and promoting annual awards to recognise the achievements of new and retrofitted buildings to encourage healthy competition in this space.

This information could be linked with information and case studies from other City of Sydney programs such as the Better Buildings Partnership and Smart Green Apartments. It would be valuable if all this information was accessible in one easy-to-find place on the City of Sydney website, and the GBCA would be delighted to promote such resources through its networks.

Item 7 - Introduce demand management rebates and cost reflective network charges

GBCA supports the City of Sydney offering incentives to encourage reduced demand for energy and supports in principle the proposal to offer demand management rebates or offsets where demand on the electricity or gas grid network is avoided.

The GBCA highlights that according to the May 2013 '*Value of Green Star: A decade of environmental benefits*' report, on average, Green Star - Design and/or Green Star - As Built certified buildings use 50 per cent less electricity, 51 per cent less potable water and produce 45 per cent less greenhouse gas emissions than buildings built to meet minimum industry requirements. The Green Star – Performance rating tool, released on 10 October 2013, will also encourage reductions in building energy use. For this reason, consideration should be given to including Green Star-rated developments in the scope of any rebates or offsets offered by the City of Sydney.

The City might also consider facilitating connections between local energy generators and existing energy generator aggregators.

Item 8 - Make local, state and federal funds available for renewable energy systems

The GBCA agrees that the rate of renewable energy systems uptake by building owners will depend on whether appropriate incentive mechanisms are offered at all levels of government. We support this proposal and believe that local government should take the lead in offering both financial and non-financial incentives.

The GBCA agrees that the public sector should lead by example and invest in renewable energy for its own buildings and operations.

Item 9 - Introduce environmental upgrade agreements for new development

The GBCA supports the proposal for Environmental Upgrade Agreements (EUAs) to be extended to new developments. Access to alternative finance mechanisms helps to overcome some of the barriers building owners and developers face when making buildings more sustainable. Improved access to finance will encourage developers to provide or connect to renewable energy systems. In addition to this, the GBCA recommends City of Sydney look at other financial incentives for new build and retrofits. Whilst EUAs are a good offering, and we encourage the extension of this program to new builds, there is still confusion and hesitation in the market regarding EUAs. Given this, we encourage City of Sydney to consider other, less complex financial incentive mechanisms such as grants or rebates for demonstrated and measurable environmentally sustainable design initiatives or environmental upgrades.

Item 11 - Undertake feasibility studies and demonstration projects in support of renewable energy technologies

The GBCA supports this proposal as we strongly believe governments have a role to play in leading by example and providing information to industry and the community about the opportunities available.

To support renewable energy technologies further, the City of Sydney could consider working with or supporting those within industry that are delivering innovative projects, and showcasing successful initiatives and results. A great example of this is the Legion House project by Grocon. The Legion House site at 161 Castlereagh Street receives very little wind or sun, thereby limiting its capacity for renewable energy technologies.

To overcome this, Grocon installed a renewable energy system that converts biomass materials (such as paper and cardboard) into a combustible gas used to generate electricity. This is a great demonstration project that would make a valuable case study.

Item 12 - Remove the regulatory barriers to decentralised energy

The GBCA supports the identification and removal of barriers which inhibit the installation of technologies or initiatives that reduce green house gas emissions.

Our members tell us that they encounter barriers when implementing renewable energy technologies in Sydney. These barriers may include a lack of clear and binding connection timelines, a lack of clear information requirements, significant connection and network augmentation costs and different connection terms amongst distribution network service providers. While many of these barriers are outside of the City of Sydney's control, the City may be able to assist in removing information barriers and eliminating information asymmetries. For example, it can be difficult for industry to navigate government and utility approval processes when seeking to embed a renewable energy system. The City of Sydney could assist by providing a clear approval process map for different types of renewable energy systems. The City could also consider offering a single point of contact, well-versed in renewable energy system approvals and connections, to facilitate and provide assistance to industry as they begin to navigate the approval and connection process.

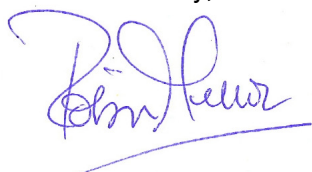
The need for building-scale incentives to encourage the uptake of embedded renewable energy systems has been mentioned throughout this submission. Below are some examples of incentives that could be modified to support the inclusion of renewable energy systems at the building scale:

- Brisbane City Council's Sustainable Development Incentives Program provided \$9 million in rebates for commercial building developments that achieved demonstrated environmentally sustainable design outcomes. The cash rebates provided were based on the floor area of the building and were capped at \$1 million each
- The City of Port Phillip in Victoria has waived the planning permit application fee associated with solar hot water, photovoltaic panels and small-scale wind turbines to encourage commitment to renewable energy technologies
- At least 16 governments in the United States offer priority processing, fee reductions or waivers to developers that achieve a Leadership in Energy and Environmental Design (LEED) Silver rating or proof of incorporating best practice Ecologically Sustainable Design (ESD)
- At least 10 governments throughout the United States offer density or height bonuses contingent on LEED certification or proof of incorporating best practice ESD.

The GBCA commends the City of Sydney on the work and consultation undertaken to date, and we once again encourage the City to consider offering financial and non-financial incentives to encourage the uptake of renewable energy systems. We would be happy to discuss the use and promotion of such incentives in the global, national and city contexts.

Please do not hesitate to contact Emma Kelly, Advocacy Coordinator, by phone on 02 8239 6288, or via email at emma.kelly@gbca.org.au should you require any further information on the points discussed in this submission.

Yours sincerely,



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