

ENCLOSURE 3

**Energy Savings Action Plan – A
Summary**

Ordinary Meeting of Council

24 January 2007

Energy Savings Action Plan – A Summary

Why? Mandatory. The *Energy Administration Amendment (Water & Energy Savings) Bill 2005* requires that Plans be written in accordance with the guidelines.

Who? local councils (with populations of more than 50,000 people)

Why? Increasing energy consumption leads to increasing greenhouse emissions.

Benefits? Reduction in greenhouse gas emissions, electricity bills, peak loads and protect electricity supply reliability.

Due When? The Plan is to be submitted to the Department of Energy, Utilities and Sustainability (DEUS) on 31 March 2007.

What is required for Wyong Shire?

The Energy Administration Amendment (Water and Energy Savings) Act 2005 provides that an Energy Savings Action Plan must be prepared in accordance with the Guidelines. The Guidelines outline the steps required for organisations to:

- * acquire and use accurate energy and operating data on an ongoing basis;
- * identify and promote improved management practices related to energy;
- * identify measures that will result in actual and sustainable energy savings;
- * implement measures that are highly cost-effective for you; and
- * incorporate into Plan for Ministerial approval.

Progress - The Plan identified the top ten energy consumption sites, and not surprisingly this largely contained Council's water and sewer pumping facilities. Council is presently investigating the findings outlined in the technical review and will progress to preparing comprehensive business cases so that funding arrangements for implementation can be put in place.

Review of the Plan's progress by Senior Management and has resulted in the following preliminary recommendations which are in line with the DEUS Guidelines:

- * Establishment of an Energy Saving Policy with energy reduction targets.
- * Implementation of energy saving initiatives identified in the technical review; subject to a cost-benefit analysis and identification of funding sources (both internal and grant funding).
- * Establishment of an Energy Management Review Team with cross organisational management representation. These roles to be incorporated into the relevant Operational Plans for the various Units. A schedule of quarterly meetings of two hours duration is envisaged.
- * The use of the Energy Australia reporting service (Webgraphs) to record energy consumption at the top 10 sites, providing regular reports to the responsible managers.
- * An in-house energy saving training package to be established, targeting key staff.

The **Energy Saving Policy** will be developed to integrate energy management across the organisation for dissemination to management and staff. The Policy will incorporate targets to improve energy efficiencies and reduce energy costs, with sub-targets for major facilities.

A strategy that supports the Policy and the initial Action Plan will be developed to ensure an ongoing review of energy use and implementation of cost effective measures covering high energy users in operational and maintenance procedures of Council.

Responsibility of energy management and efficiency programs (including targets) will be assigned to specific operational managers who will form the **Energy Management Review Team**. Integration into Council's Management Plan cycle will ensure budgetary requirements are met.

An internal communications and training strategy will be documented and implemented to provide energy awareness to staff, particularly those in energy intensive areas. Staff will be encouraged to show initiative and innovation in providing potential solutions to energy management to ensure sustainability.

To ensure long term sustainability, identification and implementation of energy efficiency actions should be based on triple bottom line decision making processes.

Financial Implications - The above components will require a two stage financial commitment:

- * costs relating to time spent by staff attending review meetings and setup of Webgraphs; and
- * capital works required to install equipment that will lead to energy savings.

The capital expenditure will be identified and considered on a case-by-case basis as the proposals are developed.

External funding opportunities - Projects that may be considered marginal for Council may be suitable for funding (through DEUS), although they prefer larger amalgamated projects (HROC level) with a huge 500MW/hrs energy saving. This would equate to approximately 15% of our total consumption. Grant funds could make energy saving measures that are below Council's hurdle rate of return more cost effective. The Energy Savings Funds has over \$200m over 5 years for implementation of identified projects that:

- * Reduce overall electricity consumption and related greenhouse gas emissions.
- * Reduce peak electricity demand.
- * Stimulate investment in innovative energy savings measures.
- * Increase public awareness of energy savings measures.