



30 September 2021

Our Ref: PSA008

Anthony Vuleta
Chief Executive Officer
Town of Victoria Park

Dear Anthony

The First Step for WA Local Governments Sustainable Energy Future

On behalf of the Association, I would like to thank you for committing your energy supply to the Energy Sustainability and Renewables Tender. Due to your commitment to participate in the project, the Tender has reached a critical size to collectively deliver an immediate saving estimated at \$5 million per annum from current electricity spend to Western Australian Local Governments. Your collaboration with 51 other Local Governments has delivered a more affordable option to obtain renewable energy. The offering now represents the most cost-effective, Western Australian-sourced method for Local Governments to reduce carbon emissions.

The project will assist to meet the renewable energy and carbon reduction targets set into policy at the Local, State and Federal levels of Government. The sector is in a unique position to lead the sustainability charge in Western Australia by adopting for locally sourced renewable energy derived from Albany Wind Farm, Collgar Wind Farm and Emu Downs Wind Farm. A complete renewable adoption from the Sector is the carbon reduction equivalent to planting 14 million new trees.

Participants in the Tender are being provided provisions for the development of a Local Government Power Purchase Agreement (PPA) following the initial 3-year term. Cooperating with our Members within the Sector, the Local Government Steering Group has sought an energy partner to help guide the sector into an uncertain future of the Western Australian energy network. The Tender process has been conducted in consideration for compliance with *Local Government (Functions and General) Regulations 1996*, internal Local Government Procurement Policies and has been granted Authorisation from the Australian Competition and Consumer Commission.

The offer has been designed for integration and encouragement of existing and new Local Government infrastructure or efficiency projects with full flexibility to adapt future joint ventures with other organisations in the community. By collaborating, aggregating, and aligning our energy, renewable and carbon spending, the sector is best positioning itself as a leading industry sector to achieve net zero energy policy targets.

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An executive summary of the project outcomes is appended. In conjunction with this letter, the material can be utilised as draft text for a Council Agenda item, where required. The specific details of the offer for your organisation are also appended alongside a process of formalising your acceptance of the offer.

Critical Action Required

The offer has a strict validity period for acceptance and is contingent on a collective minimum scaled volume of 60 Gigawatt hours across a three-year term. Due to market pricing processes and vesting arrangements, no extensions can be sought, and if WALGA is not able to accept this offer due to a lack of collective participation levels then it will lapse. It is therefore critical that this offer is accepted in writing from tender participants as soon as possible with a deadline of 19th November. WALGA will then proceed to facilitate contracting with each participating Member.

The renewable component is also contingent on a minimum volume being achieved on each contract year. WALGA encourages all tender participants to adopt 100% renewable energy. For participants who are restricted by budget, we recommend adopting a stepped approach to renewables by adopting the renewable energy option in the final contract year.

If your Local Government requires Council resolution to accept this offer, please be aware that it will be essential to incorporate this into your October or November Council meeting. I commend this outcome and extend my appreciation to the Steering Group, Evaluation Panel and officers driving the Sustainable Energy Project. To be able to achieve both price aggregation and sustainability solutions within the same process is testament to the complex work involved and a clear demonstration of the collective strength of Local Government procurement capability.

This project, if it proceeds to contract, will represent a leading approach for energy buying within Australia. Local Government can set the standard for innovation for the Western Australian energy market, allowing the Local Government sector to secure access for the limited supply and competitive demand for renewable energy. Above all else, this project marks the first time an Australian body has been established for the purpose of procuring Australian-sourced carbon offsets alongside energy and renewables. The initiative is an impressive example of Local Government leadership, collaboration and sustainability.

For further information please contact project manager, Toby Costanzo on (08) 9213 2024 or tcostanzo@walga.asn.au

Yours Sincerely,



Nick Sloan
Chief Executive Officer