

11.1 Registration of interest

The Local Government Association is seeking registrations of interest to participate in a pilot photovoltaic bulk purchasing program.

This is information seeking council direction.

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Attachments: 1. Correspondence from the LGA (10 pages)

1 Executive summary

1.1 Topic

The Local Government Association (LGA) is seeking registrations of interest to participate in a pilot photovoltaic bulk purchasing program.

1.2 Context

We have been invited by the LGA to participate in a pilot bulk purchasing program for the installation of photovoltaic (PV) panels on homes, which they are negotiating with ZEN Home Energy Systems (ZEN).

The proposed program is outlined in Attachment 1. It is similar to that established by the City of Victor Harbor last year and subsequently joined by eight other South Australian councils. It offers households savings on the cost of installing PV panels.

The LGA have approached ten councils to participate in the pilot program at this stage. They are planning to announce the pilot in mid February and are seeking registrations of interest before then.

At its meeting on 15 December 2009, Council identified bulk purchase as one of three options that it wished to investigate further as part of the Community Owned Renewable Energy Project. Participation in the LGA program would allow us to progress this and offers potentially greater savings for householders through larger economies of scale than would be possible if we were to establish our own arrangements.

1.3 Suggested outcome

It is suggested that Council consider this item in Confidence. Section (ii) 90(3)(d) of the Local Government Act 1999 is suggested as the most appropriate to use for this purpose.

This item is presented as a confidential item at the request of the LGA due to the status of their negotiations with ZEN.

That Council has determined our involvement in the pilot program.

2 Recommendation(s).

1. That:

- a. under the provisions of Section 90(2) of the Local Government Act 1999 an order be made that the public be excluded from attendance at the meeting in order to consider in confidence this item.
- b. the Council is satisfied that it is necessary that the public be excluded to enable the Council to consider the report at the meeting on the following grounds:

Section 90(3)(d) commercial information of a confidential nature (not being a trade secret) the disclosure of which -

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
 - (ii) would, on balance, be contrary to the public interest;
 - c. accordingly, on this basis the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information or discussion confidential.
1. That Council advise the Local Government Association of South Australia of its interest in participating in the pilot solar photovoltaic bulk purchasing program it is currently negotiating with ZEN Home Energy Systems.
 2. That Council note that the outcomes of the due diligence investigations being undertaken by the Local Government Association will be provided as part of the report to Council on options for Community Owned Renewable Energy, which is scheduled for April 2010.
 3. That an order be made under the provisions of Section 91(7) and (9) of the Local Government Act 1999 that the abovementioned document (or part of such document) including the minutes and the report of the Council relating to discussion of the subject matter of that document, having been dealt with on a confidential basis under Section 90 of the Act, should be kept confidential on the grounds of information contained in 90(3)(d) until 30 June 2010.

3 Direction

3.1 Strategic/Corporate Direction

The Community Owned Renewable Energy Project is a foundation project within the Climate Change Strategy.

3.2 Council's Role(s)

3.2.1 Leadership

To provide leadership by promoting the uptake of renewable energy within our community.

4 Sustainability

4.1 Economic

The program is likely to generate local employment opportunities, particularly through the panel installation works.

4.2 Social

The installation of PV cells by householders offers them the opportunity to assume greater control over their home energy expenditure. ZEN are suggesting that savings in the order of 15% on the purchase of PV cells are likely to be offered through the program. Financing options are likely to be offered through a partnership with a home finance broker.

4.3 Environmental

The total amount of renewable energy generated through the program will be the product of the number of systems installed and their size. The City of Victor Harbor's program has resulted in approximately 900 installations.

5 Resource Implications

5.1 Operational

The role of participating councils will be largely limited to assisting with the promotion of the offer in their council area. As a result the resource implications are expected to be low.

6 Risk Analysis

| Key risks | How it is proposed to be managed |
|--|---|
| Socio-political – ZEN's products and/or services not meeting expectations. | Thorough due diligence investigations into ZEN are being undertaken by the LGA. |

Key Factors

7 Discussion

The pilot program will be established via a formal agreement between ZEN and the LGA and will be open only to householders living in participating councils. The LGA will engage the participating councils. No formal agreement between the pilot councils and ZEN will be required. Our role will be primarily the promotion of the opportunity to our local community (as described in Attachment 1).

Our involvement would not preclude us from entering into other bulk purchase arrangements with other suppliers in the future. Nor would it preclude our residents from utilising other providers.

The LGA are establishing the program as a pilot in the first instance. Local Government Corporate Services (LGCS) are undertaking due diligence investigations into ZEN. The investigations have examined their products, installation workmanship, customer service, order management systems, finances and governance. An independent expert is also to be engaged as part of this process.

The outcomes of these investigations (including the commencement dates for the pilot) will be provided to Council, for its information, as part of the report on the Community Renewable Energy Project scheduled for April 2010.

The LGA are also interested in exploring bulk purchase opportunities for renewable energy technologies for installation on council owned buildings and facilities in the future. However, this is beyond the scope of the current program.

