

7. SUSTAINABLE ENERGY STRATEGY FOR CHRISTCHURCH 2008-18

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PURPOSE OF REPORT

1. The purpose of this report is to seek the adoption by the Council of the draft Sustainable Energy Strategy for Christchurch 2008-18, to be released for public consultation in August 2007. (Draft strategy separately enclosed - limited circulation.)

EXECUTIVE SUMMARY

2. Having demonstrated considerable success in energy efficiency and renewable energy in its own operations, the Council now seeks to work with the people of Christchurch and other energy stakeholders to reach the vision of a sustainable energy future for the City. The Draft Sustainable Energy Strategy for Christchurch 2008-18 defines the steps required to achieve tangible progress in this particular area of sustainable development.
3. The purpose and key points of the Sustainable Energy Strategy for Christchurch were presented to and discussed at the Council Portfolio Group meetings on 21 June and 8 November 2006 and Council seminars on 31 October 2006 and 27 March 2007.
4. Preliminary discussions and consultations on key points of the Strategy were held with a number of stakeholders and community groups such as Orion NZ Ltd, EECA, Environment Canterbury, Canterbury Employers Chamber of Commerce, Canterbury Manufacturers Association, Sustainable Otautahi Christchurch, Community Energy Action, Meridian Energy, Windflow Technology Ltd, and NZ Green Building Council. The strategy issues were discussed at a public meeting on 6 November 2006 at the ChristChurch Cathedral. Ideas, concerns and challenges from this preliminary consultation were incorporated into the Draft Strategy.
5. The draft document was peer reviewed by two experts from Malmö City Council (Sweden), to ensure that it meets international best practice standards.
6. There has also been recent focus group work done around a range of environmental strategies including the Sustainable Energy Strategy. A key stakeholder workshop is also to be held on 9 August 2007. Both the focus group work and the stakeholder workshop will help inform the draft strategy.
7. Key timelines related to the strategy are:
 - 26 July 2007 - Council adoption of the draft Sustainable Energy Strategy for public consultation
 - 6 to 24 August 2007 - Public consultation
 - 27 September 2007 - Council adoption of strategy
8. The Council seminar on 27 March 2007 recommended that "as the next step the action plan would be completed and brought back to the Council for adoption, then for public consultation".

This work is now complete, and the costs for implementing various strategic initiatives estimated, prioritised and grouped into four options:

- Option 1 - "do nothing", at no cost
 - Option 2 - "light action" at \$3.135M over 10 years
 - Option 3 - "medium action" at \$5.43M over 10 years
 - Option 4 - "strong action" at \$6.57M over 10 years.
9. At this stage, a Council decision on a preferred option is not required. A separate report on this matter will be submitted in September 2007 following completion of public consultation.

FINANCIAL IMPLICATIONS

10. While there are no additional Financial commitments required at this stage outside of the \$150,000 already included in the 2007/08 Annual Plan, depending on what future option is considered there would be some significant ongoing costs associated with the strategy implementation. There will also be some significant saving for the community in relation to their personal and business energy bills resulting from the action plan. With a total annual energy cost of \$1.5 billion a 2% saving would result in \$30 million savings per year across the Christchurch community.
11. As per the Draft Strategy report attached, the estimated reduction in energy is in the table below.

Option	Estimated total saving accrued over 10-year period		Estimated 10-year accrued cost to CCC	Energy cost savings accrued over 10 years
	Energy saved	Reduction in CO ₂ emissions, tonnes		
1 - Do Nothing	0	0	0	0
2 - Light Action	16,965 TJ	1.85 Million	\$3.135M	\$0.64 Billion
3 - Medium Action	29,800 TJ	3.10 Million	\$5.43 M	\$1.12 Billion
4 - Strong Action	39,425 TJ	4.15 Million	\$6.57 M	\$1.48 Billion

Note: Option 3 includes initiatives of Option 2, and Option 4 includes initiatives of Option 3.

12. The figures above are based on an average energy price of 13.5 cents per kilowatt-hour (including of GST) and taken as constant throughout the ten-year period. This is the average cost for all fuels in 2006.

Do the Recommendations of this Report Align with 2006-16 LTCCP budgets?

13. An initial sum of \$150,000 was allocated in the 2007/08 budget towards the implementation of the Sustainable Energy Strategy. No other funding has been allocated at this stage pending the adoption of the final strategy.

LEGAL CONSIDERATIONS

14. The Local Government Act 2002 requires local authorities to take a sustainable development approach by taking into account a range of factors that directly relate to the use of energy sources. The Resource Management Act 1991 has as its purpose to promote the sustainable management of natural and physical resources. In achieving this purpose, the Act states that all persons exercising functions and powers under it shall have, amongst other things, particular regard to the efficiency of the end use of energy. The Draft New Zealand Energy Strategy (released in December 2006, final document to be launched in late 2007) will place further requirements on local authorities to deliver a number of specific objectives.

Have you considered the legal implications of the issue under consideration?

15. As above.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

16. Any future recommendation made to the September 2007 Council meeting will be aligned to the LTCCP and Activity Management Plans.

Do the recommendations of this report support a level of service or project in the 2006-16 LTCCP?

17. As above.

ALIGNMENT WITH STRATEGIES

18. Energy issues are included in the LTCCP under its two strategic directions: *Healthy Environment* and *Prosperous Economy*.

Do the recommendations align with the Council's strategies?

19. The Sustainable Energy Strategy defines the Council's role in achieving the Community Outcomes under the Strategic Directions, and a specific action plan of achieving its goals and objectives.

CONSULTATION FULFILMENT

20. There will be a key stakeholder consultation workshop on 9 August 2007 and general consultation will also be undertaken in August 2007 see 'executive summary' section.

STAFF RECOMMENDATION

It is recommended that the Council adopt the Draft Sustainable Energy Strategy for Christchurch 2008-18 for public consultation.