

24. 11. 2011

23. ENERGY CONSERVATION PROGRAMME

General Manager responsible:	General Manager Strategy and Planning, DDI 941-8281
Officer responsible:	Programme Manager – Healthy Environment, Strategy and Planning
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PURPOSE OF REPORT

1. The purpose of this report is to seek Council endorsement of a programme developed by the Christchurch Agency for Energy (CAfE) for reducing the amount of energy consumed and increasing the proportion of renewable energy used in Christchurch.

EXECUTIVE SUMMARY

2. The Council's "Sustainable Energy Strategy for Christchurch 2008-18" (Energy Strategy) was adopted by Council in September 2007. This strategy included targets for reducing energy consumption, with a greater proportion of the energy used coming from renewable sources. Council's 2009-19 Long Term Council Community Plan (LTCCP) included levels of service for the development of programmes to achieve these changes in energy use.
3. In June 2010 the Christchurch Agency for Energy (CAfE) was established (see **Attachment 1** for Statement of Intent). A key role of this agency is to progress the majority of actions identified in the Energy Strategy which, in combination, aim to achieve the targets for changes in energy use. The programme of work for achieving this is set out in **Attachment 2** of this report. Council endorsement is sought for this programme.

FINANCIAL IMPLICATIONS

4. The funding for the first five-year period of the action plan in the Energy Strategy comes from revenue received from the sale of carbon credits to British Gas. This includes a five-year commitment to provide over \$700,000 per annum, including \$100,000 per annum towards the administration costs of the CAfE. The Council earned the carbon credits following the successful commissioning of the project to capture and use landfill gas.
5. The five Appointor organisations (members of the CAfE) provide their annual financial contributions to the CAfE budget.

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

6. Yes, the 2009-19 LTCCP (page 200) includes five years of funding for the implementation of the Energy Strategy at over \$700,000 per annum.

LEGAL CONSIDERATIONS**Have you considered the legal implications of the issue under consideration?**

7. CAfE has been established as a council controlled organisation under the Local Government Act 2002 and registered as a Charitable Trust under the Charitable Trusts Act 1957 and the Charities Act 2005.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

8. Page 194 of the LTCCP, levels of service under energy conservation.

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

9. Yes. The recommendations of this report will achieve two levels of service in the 2009-19 LTCCP:
 - 1.5.2. A programme is developed to contain increase in the amount of energy used in Christchurch (to reduce increase in energy use to +12.0% by 2014).
 - 1.5.3. Programme developed to encourage an increase in the proportion of renewable energy used in the City (to 23 per cent by 2014).

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ALIGNMENT WITH STRATEGIES

10. The programme of work that is the subject of this report will implement the majority of actions identified in the "Sustainable Energy Strategy for Christchurch 2008-18".

Do the recommendations align with the Council's strategies?

11. Yes, as above.

CONSULTATION FULFILMENT

12. The Energy Strategy, on which the programme of work is based, was subject to a public consultation process prior to its adoption by Council.

STAFF RECOMMENDATION

It is recommended that the Council endorse the programme of work (**Attachment 2**) developed by the Christchurch Agency for Energy (CAfE) to reduce the amount of energy consumed and increase the proportion of renewable energy used in Christchurch.

BACKGROUND

13. On 27 September 2007 the Council, following a public consultation process, adopted the Sustainable Energy Strategy for Christchurch 2008-2018. The Strategy included 28 energy efficiency and renewable energy initiatives. The Strategy contains description and explanation of each initiative and is available on Council's website <http://resources.ccc.govt.nz/files/EnergyStrategy-docs.pdf>. One of the initiatives was the establishment of the Christchurch Agency for Energy (CAfE).
14. The draft 2009 -19 Long Term Council Community Plan included a Statement of Proposal that the CAfE be established as a charitable trust, to carry out the initiatives in the Strategy and for the purposes of promoting energy efficiency and renewable energy in the Council's district. It was proposed that the CAfE would be a council controlled organisation. Following the public consultation process, the Council resolved on 26 June 2009 to adopt the proposal that the Christchurch Agency for Energy be established.
15. On 24 June 2010 the Council resolved to adopt the Deed of Trust for the establishment of the CAfE. On 12 August 2010 the Christchurch Agency for Energy was registered under the Charitable Trusts Act 1957 and the Charities Act 2005.
16. The Agency's Statement of Intent is attached (**Attachment 1**). It stipulates that "*in carrying out the purposes..., the Trustees will have regard to the principles and initiatives established in the Sustainable Energy Strategy for Christchurch 2008-2018 published by the Christchurch City Council*".
17. The CAfE work was affected by the September 2010 and February 2011 earthquakes. As a result, there was a delay in the development of programmes and implementation of some projects. However, the Agency reacted to the new realities in the city by identifying opportunities for better energy future associated with the post-earthquake recovery, which produced new initiatives such as the District Energy Scheme.
18. The CAfE's three-year programme of work for 2011-14 is attached (**Attachment 2**). It covers 22 projects (20 out of the 28 initiatives listed in the Sustainable Energy Strategy plus two new initiatives). The two new initiatives are the District Energy Scheme and the Energy Design Advice Service. The both are intended to assist the recovery of the Central City.
19. In addition to the programme outlined in **Attachment 2**, the CAfE works with two partner organisations: Community Energy Action and Beacon Pathway. As their partner, the CAfE participates in their respective projects: Home Energy Advice Service and the Build Back Smarter Christchurch.

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20. While the CAfE is responsible for the implementation of 20 out of 28 original initiatives of the Sustainable Energy Strategy, the Council itself is the lead agency for another eight initiatives (**Attachment 3**).