

# Energy Efficiency and Long Term Council Community Plans

Energy Efficiency and Conservation Authority

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## 1 Introduction

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The purpose of this document is to provide advice and guidance to local authorities about how they may use Long Term Council Community Plans (LTCCPs) under the Local Government Act (LGA) 2002 to promote energy efficiency and conservation at the local and regional levels.

The guide is aimed at:

- Local authority officers wanting to raise the profile of energy efficiency as an issue within their organisations and get the issue *recognised* in LTCCPs; and
- Organisations that are already motivated to respond to the challenge of energy efficiency and conservation but who may not know *how best* to deal with the issue in the LTCCP.

## 2 What is an LTCCP?

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The Local Government Act 2002 provides a broad mandate for local authorities to involve themselves in economic, social and environmental and cultural issues. The Act is outcome focused and introduces mandatory long term strategic planning in the form of Long Term Council Community Plans (LTCCPs).

Strategic planning enables local authorities to develop and realise visions of a sustainable future.

LTCCPs are prepared every three years to address a 10 year planning horizon. They are important documents because they provide a framework for the direction and priorities of each local authority. Having issues recognised in an LTCCP is a pre-requisite for local authority action.

### **Text Box 1 – Contents of a LTCCP**

Schedule 10 of the Act states that, amongst other things, LTCCPs must:

- State the community outcomes.
- Describe how the local authority will contribute to furthering the outcomes.
- Outline how the local authority will work with others to further the outcomes.
- State the measures to be used to assess progress.

### 3 Why energy efficiency is a relevant outcome for local authorities

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Traditionally, energy efficiency has been far from a core focus of local authorities. But a focus on energy efficiency at local level epitomises concern surrounding financial and resource efficiency. In the new era of *sustainable development* many local authorities are beginning to recognise that energy efficiency is a useful *organising theme* around which many local authority activities may be clustered.

Local authorities already do things that promote energy efficiency

- Energy efficiency need not be seen as something new and expensive. Many traditional local authority activities such as land use planning, transport planning, public transport provision, waste minimisation and efficient operation of community utilities and facilities can and do all contribute to energy efficiency.
- Energy efficiency is a very good example of an objective with genuine *quadruple bottom line* sustainable development benefits. Many energy projects have:
  - ✓ *social benefits* in the form of improved health and related benefits (such as less school absenteeism) resulting from better insulated homes;
  - ✓ *economic benefits* in terms of reduced costs for local authorities and individual energy users (including, for example, reduced transport costs and productive time lost to traffic congestion);
  - ✓ *environmental benefit* since less energy used means reduced demand for damaging energy extraction, processing and less need for new electricity generation (meaning lower greenhouse gas emissions and less pressure on natural resources);
  - ✓ *cultural benefits* in the sense that the resources affected by energy generation (such as rivers) are often important taonga to Maori.
- Local authorities are not only mandated to be involved in energy efficiency through the Local Government Act, they have *specific responsibility* to promote sustainable management of energy under the Resource Management Act.
- Energy efficiency is a critical component of environmental sustainability and resource efficiency.

Action on energy efficiency can have social, economic, environmental and cultural benefits

The use of energy over time is therefore a *key indicator* of progress to a more sustainable future.

## 4 What local authorities can do

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Local authorities can promote energy efficiency at two levels

- First, they can improve the way they use energy themselves. This involves looking at the efficiency of their own buildings and facilities (such as libraries, community centres and swimming pools), infrastructure such as water and waste water networks and vehicle fleets.

Local authorities can promote energy efficiency in-house and in the wider community

Importantly, it also involves taking energy into account in the design of new facilities. Energy use can be reduced and it can also be *avoided*

Getting your own house in order saves ratepayer dollars and shows community *leadership*.

- Second, councils can promote energy efficiency in the community through:
  - ✓ Encouraging communities to *avoid* energy waste through the provision of guidance on energy efficient building and urban design and through demonstration projects.
  - ✓ Encouraging communities to *reduce* their existing use of electricity and gas in their households and businesses through education and cleaner production initiatives.
  - ✓ Encouraging reduced energy use from *transport* by providing public transport services, traffic planning and management measures that reduce congestion and provide for alternative low energy modes of transport.
  - ✓ Encouraging communities to avoid energy use from transport by guiding new development into forms that reduce the need for vehicle travel.

## 5 How local authorities can provide for energy in their LTCCP

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Set out below is a description of the strategic planning process as anticipated by the Act together with suggestions as to how that process might be applied to promote energy efficiency.

### 5.1 Identification of community outcomes

The strategic planning process begins with the identification of *community outcomes*<sup>1</sup>.

Community outcomes can be identified and articulated in many ways. The different ways are discussed below and depicted in Figure 1.

#### 5.1.1 Energy efficiency as a community outcome

Energy efficiency may or may not be identified by the community as an outcome in its own right.

Obviously if energy efficiency is identified as an outcome it will provide a solid policy platform for local authorities to undertake energy efficiency action over the long term.

Whether or not energy efficiency is identified as a community outcome, it is likely to be a significant contributing factor to the achievement of other community outcomes. The fact that the community may not identify energy as a priority outcome in its own right should not mean that it has no place in the LTCCP.

#### 5.1.2 Energy efficiency as part of a broader outcome

The case for identification of energy efficiency as a community outcome may be enhanced by incorporating energy efficiency in an outcome more broadly defined or by linking energy to a closely related issue.

For example, energy efficiency might be part of an outcome about resource efficiency, cleaner production or environmental sustainability.

Energy efficiency can be identified as a community outcome or as a contribution to the achievement of other outcomes

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<sup>1</sup> For the first *transitional* LTCCPs outcomes need not be defined through a specific process but may be developed from existing information of the local authority.

### **Text Box 2- Case study: Waitakere City**

Waitakere City Council began its community outcome identification process by undertaking a gap analysis of the existing strategic plan – “The Greenprint”.

Energy was identified as a gap in previous strategic planning and implementation. A workshop was held with staff about how the issue could be moved forward. The draft LTCCP includes an outcome of “Sustainable Energy and Clean Air” that recognises the link between energy use and emissions to air.

A separate section of the LTCCP on Corporate Environmental Reporting includes data on the council’s own energy use.

### **5.1.3 Energy efficiency as a local authority outcome**

Community outcomes are just that: outcomes *of the community* – not just the local authority. LTCCPs must identify what the local authority will do contribute to the community outcome (see Text Box 2).

This requirement may be interpreted in different ways. One way is for councils to include council-specific outcomes (or goals) that represent their *share* of effort towards broader community goals.

Thus a LTCCP might identify a broad community outcome of (say) “a sustainable environment” and then a more specific outcome or goal focusing on energy efficiency that represents what the local authority itself will seek to promote in order to further the community outcome.

### **Text Box 3 - Case study: Greater Wellington**

Twelve *community outcomes* were identified for the Wellington Region. These did not include energy efficiency.

Greater Wellington, however, decided to develop its own outcomes to express where it sees its role in furthering broader community outcomes.

Three objectives lay behind the identification of council outcomes. They were to (1) ensure core functions were recognised and accommodated; (2) help break the “silos” within the organisation and between an artificially strict distinction between the social, economic, environmental and cultural dimensions; and (3) engage the public by making the outcomes imaginative and meaningful for the average person.

The 10 outcomes identified for the *council* include *sustainable energy use*. All outcomes identified have (potentially) social, economic, environmental and cultural dimensions. This contrasts with the more common approach of identifying community outcomes in discrete social, economic, environmental and cultural terms.

#### **5.1.4 Energy efficiency measures as actions to promote environmental, social and economic outcomes**

Often outcomes, whether community focused or council focused, tend to be identified at a broad level. It is common for these to be broken down into goals, objectives and targets, as well as listing specific approaches and methods that will be used.

This presents a further opportunity for energy efficiency goals and actions to be included in relation to a suite of relevant outcomes: for example, outcomes relating to efficient transport, public health and a sustainable environment.

## 5.2 Getting specific

The specific goals and targets that local authorities adopt in respect of energy will depend on the circumstances of the individual council. However it would be useful to have goals specified in respect of:

- Reducing councils' own energy use.
- Reducing long and short term energy use in the community
- Increasing the share of renewable energy used.

Appropriate goals for EnergyWise Councils may be derived from the *EWCP Reporting Guide 2003*. Energy goals may be expressed as:

- Numerical targets such as a percentage reduction in energy consumption (see national targets in Text Box 4).
- General directions. For example:
  - ✓ Create a city that is an energy cell not an energy sink.
  - ✓ Reduce petrol and diesel used for transport.
  - ✓ Have more energy produced from renewable energy sources.
- Policy intentions. For example:
  - ✓ To create a well managed and co-ordinated programme for energy efficiency in the council that is effective in motivating change throughout the community.
  - ✓ To improve both public and political support for increased energy efficiency and reduced energy costs in all buildings.
  - ✓ To support and implement the principles of the Kyoto Protocol locally.

### **Text Box 4 - National energy efficiency and renewable energy targets**

The National Energy Efficiency and Conservation Strategy (NEECS) promotes a 15% improvement in *in-house* energy efficiency in central and local government over five years.

The same strategy aims to achieve:

- A 20% improvement in economy-wide energy efficiency by 2012.
- An increase in renewable energy supply to provide an extra 30PJ (nationally) of consumer energy by 2012.

### 5.3 Identifying other actual and potential partners and their contributions

In any region or district many players will be contributing to energy efficiency and conservation outcomes.

Before committing to specific energy efficiency actions, local authorities should identify key local, regional and national contributors and the nature and scope of their contributions.

Key players within most communities will be:

- EECA.
- Generators, retailers and distributors of energy in the region.
- Any non-governmental agencies active locally in promoting energy efficiency.
- Transport operators and transport infrastructure providers (Tranz Rail, Transit and private sector providers).
- Housing New Zealand.
- Private sector organisations offering services in energy-efficient building design and construction.

Determine what these players are doing to contribute to energy goals and consider how this effort may be complemented by local government action.

Also identify *potential partners*. These may be organisations that are not currently involved in energy efficiency but have the potential to influence energy use outcomes. These may include:

- Public sector agencies who may be constructing new public facilities (such as hospitals and schools) in the region or district and who may be interested in building to enhanced energy efficient standards to provide demonstration projects.
- Practitioners consulting to urban developers in architecture and urban design.
- Large energy users in the community, including large commercial vehicle fleet buyers.

#### **Text Box 4 – EECA’s contribution**

EECA operates formal partnership arrangements with local authorities through the Emprove and Energy Wise Councils Partnership programmes.

Under these partnership arrangements EECA commits to providing support and information to local authority members and to facilitate the sharing of knowledge and experience among them.

EECA is also able to provide technical advice for local authorities in the form of published guidance on, for example; swimming pool design, street lighting and vehicle fleet management.

EECA also provides financial assistance in the form of the *Crown Energy Audit Grant Scheme* (that assists to pay for energy audits) and the *Crown Energy Loan Scheme* to assist with the implementation of projects identified through energy audits.

#### **5.4 Identifying what the council is already doing and what needs to be done**

The first step to including specific energy measures in the LTCCP is to conduct a *stocktake* of what the local authority is already doing what might contribute to the outcomes and goals that are proposed.

There are essentially two ways to approach the decision about what measures to include on energy efficiency in the LTCCP. These are as follows.

- The *analytical* approach. This involves (a) making an honest assessment of what needs to be achieved to promote the goal; and (b) undertaking a gap analysis, taking into account existing local authority actions and the actions of partners. If conducted rigorously, such an evaluation will identify actions that need to be taken.

Examples of some of the more innovative measures adopted in the recent past by New Zealand local authorities are described in Text Box 5.

- The *pragmatic* approach. The pragmatic approach is to include measures and actions have strong political support. A pragmatic approach might involve:
  - ✓ Listing the measures identified in the stocktake of *existing council activities* (be sure to include those in relation to buildings, land use planning, transportation, community

relations, waste management and other related policy and operational parts of the authority).

- ✓ If interest in the council's energy efficiency role is not high, focus any new commitments on *in-house* cost saving measures (at least for the first LTCCP). Try to secure agreement that cost savings achieved through in house measures are re-invested into community projects in the future.
- ✓ If there is resistance to new measures to promote energy efficiency in the community, try to include a commitment to prepare an *energy efficiency strategy*. This will provide an opportunity to undertake work to demonstrate what might be achieved by future LTCCPs.

#### **Text Box 5 – Some examples of innovative community focused energy initiatives**

Wairarapa Healthy Homes Project: This project began in March 2004 with a long-term plan to insulate every home in the region. 259 homes of low income households have been retrofitted so far with a target of 350 to be retrofitted by July 2005. Most Council owned residences in Masterton and Carterton have also been retrofitted where required, with plans to retrofit the remaining houses in the near future. The key to this project's success has been the cooperation of a group led by the Masterton District Council combined with the experience of energy efficiency company, EnergySmart.

School Travel Plans in Tauranga: With EECA's training and guidance, Tauranga City Council has established a pilot school travel plan programme. This programme aims to encourage and assist safe and active travel to and from the two primary schools in the Greerton area. With the help of council and community stakeholders the schools are developing plans to provide safe alternatives for children getting to and from school and help reduce peak hour traffic and associated energy use.

New energy efficient building in Waitakere; Using EEC's energy audit grant funding Waitakere City Council worked with Waitakere hospital, helping to plan for more *sustainable new building*. An energy audit of the proposed design of the new Waitakere hospital helped identify energy efficiency opportunities

### **5.5 Specifying measures of success**

LTCCPs must include the measures to be used to assess progress towards outcomes.

Measuring energy consumption at a local or regional level has its challenges. However there are a number of useful measures. These include;

- Regional petrol and diesel sales (sales are recorded at the regional level).
- The amount of renewable energy generation in a region or district.
- The “carbon footprint” of the local authority (as determined by the EBEX 21 or other calculation methods).
- Electricity usage in a region or district (most easily possible where grid exit point data corresponds with local authority boundaries).
- Community awareness of the importance of energy efficiency (as measured by community awareness surveys).

## 6 Making the LTCCP work

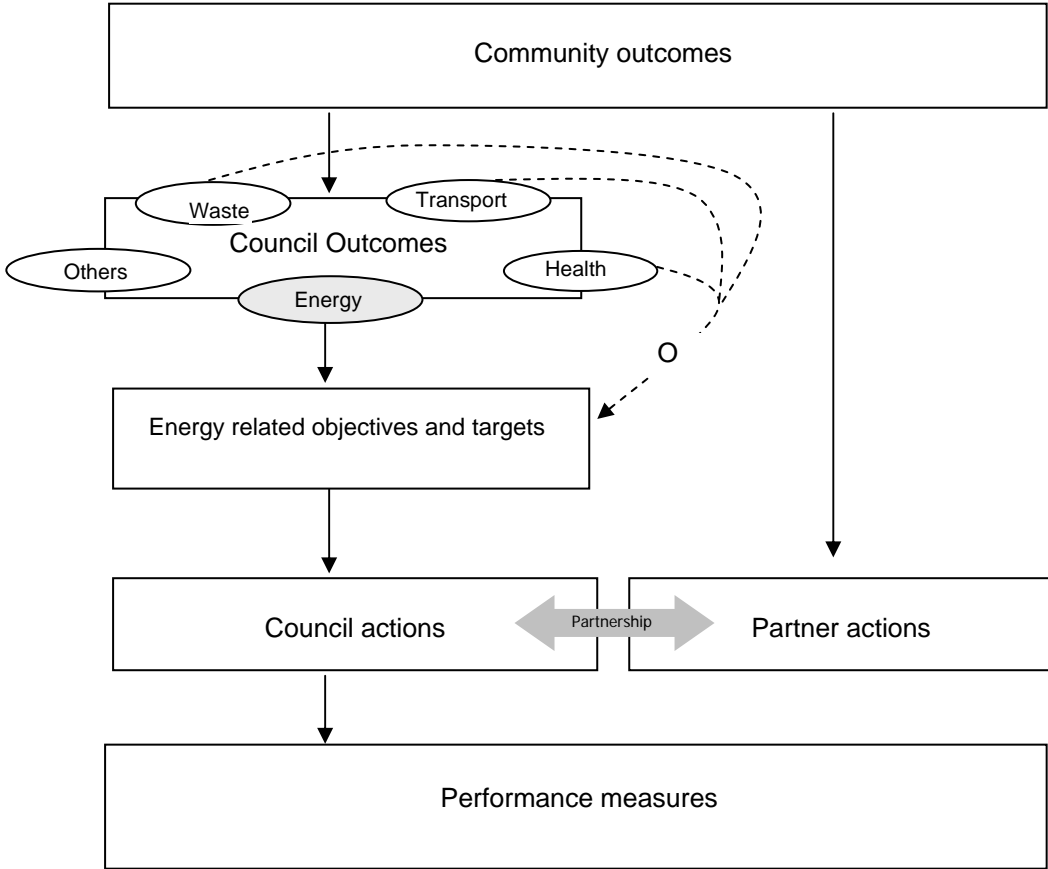
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To be effective the LTCCP must be linked to councils’ other strategic and operational plans. Energy efficiency outcomes and actions may well require implementation through:

- *Departmental business plans* (where they exist) to ensure that action required to give effect to commitments are translated into the work plans of departments and in turn individuals in individual teams.
- *District plans* if commitments made in the LTCCP involve changes to land use planning strategies.
- *Human resource strategies* if commitments made in the LTTCP require particular capacity in terms of skills and experience.
- *Communication strategies* to ensure councils’ role in energy is understood within and outside the organisation and to ensure energy efficiency is promoted appropriately in council communications.
- *Decision-making principles* that ensure energy efficiency is a consideration in all forms and levels of council decision-making.

To the extent appropriate, consideration should also be given to accommodating councils’ roles in energy issues in *governance statements* and clarifying the regional council’s/territorial authority’s working relationship on energy issues in *triennial agreements*.

**Figure 1: Strategic planning for energy – Contents of the LTCCP**



**Best Practice provision for energy efficiency**

Derived from community consultation (or other sources for transition LTCCPs).

Identify energy efficiency as an outcome, eg “Sustainable Energy Use”.

List any specific objectives and targets, for example:

- Reduce petrol and diesel use from transport
- Have more energy generated from renewable sources
- Increase council’s own energy efficiency by 15%

List specific programmes, for example:

- Support and expand walking school bus use
- Investigate renewable energy options
- Conduct an energy audit of council buildings

List specific measures, for example:

- Transport fuel consumed
- The amount of renewable energy capacity

### **Text Box 6 – What do I do if there is no support for energy efficiency?**

There are a number of strategies that may be used to build interest and support for energy efficiency within a local authority.

- Present a *business case* that justifies internal energy efficiency projects in terms of ratepayer dollars saved.
- Work with communications staff to provide opportunities for politicians to be associated with successful community or council energy efficiency projects. Use media articles, speeches and press releases, and link good news to elected members.
- Seek recognition of efforts (for example the Ministry for the Environment's Green Ribbon awards or EECA's EnergyWise awards).
- Recommend key politicians attend conferences or seminars where energy efficiency is being discussed.
- Highlight the *multiple benefits* associated with promoting energy efficiency projects in the community (See Text Box 3).
- Link energy efficiency and conservation to *wider policy frameworks* adopted by the council. For example, ensure energy efficiency is recognised as a key dimension of sustainable development.
- Consider holding an *energy forum* involving staff, politicians and external stakeholders.
- Once interest has been raised, make sure the momentum is continued by regularly reporting on progress and future opportunities.

Build a constituency of support at staff level by:

- Forming an *energy management group* made up of all council personnel whose roles and responsibilities affect energy use (staff at North Shore City Council have formed such a group).
- Develop a common strategic understanding of the local authority's role in energy efficiency.
- Appoint a group member as the *energy advocate*.
- Obtain senior management endorsement for the group and the role of the advocate.
- Investigate ways in which energy efficiency may be promoted within the organisation.
- Consider developing an energy strategy (as Dunedin City is doing).
- Investigate how the group might have an input to the LTCCP development.