

YARRA ENERGY FOUNDATION

Annual Report
— 2020-2021



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About YEF

Yarra Energy Foundation (YEF) is a for-purpose not-for-profit organisation with a huge ambition – to achieve a zero carbon future in the City of Yarra and beyond.

YEF exists to seek out innovative emissions reduction solutions and inspire people who live and do business in the City of Yarra to take practical steps towards this goal. Established by Yarra City Council in 2010, YEF receives core funding support from the Council. The organisation is governed by an independent and highly experienced [Board of Directors](#).



From the Chair

Despite pestilence, parsimoniousness and a paucity of national inspiration, it is with great pride I look back on YEF's progress over the past year. With a very small team of hard workers, the organisation has innovated, cooperated, led, encouraged and most importantly, implemented. These are the potential strengths of a small, agile and highly motivated teams, but potential is not always realised.



“Under the tireless leadership of YEF’s CEO, Dean Kline, great strides have been made with projects that are positively impacting the Australian energy market.”

Chief among these is the community battery project, an example of cooperation with community, network operator, state government and academe. YEF has also been appointed to manage Victoria’s first Melbourne Metropolitan Community Power Hub, which will bring together councils, community groups and energy innovators, again funded by the state government.

Finally, through YEF’s close and productive working relationship with Yarra Council, we are addressing the commercial emissions in our patch. This has significant potential to reduce emissions and provide examples of innovative business models to elicit widespread rollout.

Finally, I’d like to thank Dean and his team for their hard work under very challenging circumstances, my fellow board members for their support, clarity and expertise, and Yarra Council for their ongoing commitment to YEF.

A stylized, handwritten signature in black ink, appearing to read 'David Anstee'.

David Anstee
Chair, Yarra Energy Foundation

From the CEO

As I reflect on another challenging year, I could not be prouder of the direction and advances that have happened at YEF over the period. The organisation continues to punch above its weight not least due to the hard work of our dedicated team.

With a renewed focus and pressure to do more with less, the organisation has had a disciplined focus on where it can deliver most impact. We have therefore made bold and targeted moves into new markets and expertise, underscored by YEF's leading role in community batteries.



“As a rising tide lifts all boats, we have brought many others—including new partners—on our journey, with cooperation and knowledge sharing a highest priority.”

For ourselves and others to succeed and reach ambitious targets for zero carbon, we know our best chance is to build new ideas, capabilities, and opportunities together with organisations of all shapes, sizes and colours, and consulting with the communities in which we operate.

This approach is exemplified in YEF's Memorandum of Understanding with the Australian National University and CitiPower to investigate the roll-out of 200 community batteries in cooperation with the City of Yarra. Our organisation has become a catalyst for new energy solutions that once seemed just a pipe dream.

Another triumph is YEF's appointment by Sustainability Victoria to establish the first Metro Community Power Hub (MCPH). I have been awed by the work that has gone into ensuring that the MCPH becomes a permanent fixture in Melbourne's community energy landscape.

I would like to thank the YEF staff for their dedication and focus during this challenging period and congratulate them on their work over the last twelve months.

I also want to thank the City of Yarra, which continues to provide core funding and support to YEF's operations and vision for a zero carbon Yarra. I am grateful for the close and productive relationships with the staff in the Sustainability Unit in particular, who have been enormously generous and supportive of our work. Finally, I would like to thank David Anstee, Chair of YEF, for his ongoing support and guidance and all of YEF's Board of Directors who have provided steady hands and sage leadership through not only a global pandemic, but through a pivotal year for YEF as we seek new horizons to hasten the realisation of a zero carbon future.



Dean Kline
CEO, Yarra Energy Foundation



\$213,270

Saved annually by Yarra residents from solar installed through the Yarra Solar Program.



30,415 tCO2-e

Cumulative emissions avoided by solar through YEF's solar programs.



200

The number of community batteries YEF is aiming to install across Victoria.

Our Impact

This financial year, YEF has:

Facilitated \$292,000 of investment in new solar panels.

This adds to a running total of 660 kilowatts (kW) of installed residential solar PV reducing over 30,000 tCO₂-e over the lifetime of the panels.

Broken ground in community battery technology.

Through pioneering new cross-sector partnerships, this pilot of neighbourhood-scale renewable energy storage has the potential to further enable 200 new community batteries across Victoria.

Refreshed the organisation's brand and boosted communications capability.

Having launched a new visual identity, new website, and established a dedicated communications function, YEF has since seen record growth in engagement and followership on all its platforms.

Engaged hundreds of Yarra residents and businesses in practical steps to reduce energy bills and emissions.

We've hosted or spoken at more than 25 events (on and offline), many convened by Yarra City Council, providing our expert advice to engage people in action.

Applied for hundreds of thousands in funding for energy community innovation.

This includes submissions to deliver the first Metropolitan Melbourne Community Power Hub and the Neighbourhood Battery Initiative to pilot the first community battery in the City of Yarra.

At a Glance 2020-2021

The year was undoubtedly marked by the significant progress on community batteries, which have become a hallmark of the organisation.

YEF and its small team of mostly part-time staff have achieved some major footholds at the vanguard of the transitioning energy system. The not-for-profit focused on finding innovative ways to reduce emissions from energy has pushed with pluck and relentless curiosity into cutting-edge realms of renewable energy solutions with the community at heart. Project manager—Chris Wallin— has led the charge in this space, and garnered widespread national interest.

Community batteries themselves stepped out and forward in 2020-21 – the narrative is not *if* community batteries will play a role in the transition to a zero carbon future, but *when*.

Energy storage technology, implemented as community batteries, has the potential to address multiple constraints in the electricity grid, overcoming growing congestion caused by increases in rooftop solar flowing in local networks. It means more people will be able to contribute the excess renewable energy from their rooftops for use in their local community.

YEF has positioned itself strategically as a leader in community batteries, nationally, signing a Memorandum of Understanding with CitiPower in January 2021.

This timed with YEF's hiring of a new manager for communications and marketing, who activated the new organisational branding and website, and assisted the organisation's minor media splash reaching millions with the announcement of the community battery MoU.

In addition to some substantial grant funding applications to the Victorian Government, YEF continued work in direct emissions reductions through the Yarra Solar Program. This bulk buy program for residents offering discounts and free advice on solar PV resulted in over \$290,000 of new solar installed, adding to a running total of 660 kW of installed solar PV, which will continue to save Yarra residents more than \$213,270 annually from their energy bills.

YEF's Solar Programs in 2020-21 will reduce 30,415 tCO₂-e over the lifetime of the panels.

Responding to a transitioning electricity system, emerging technologies and new models of energy distribution, YEF has been proactive and systematic in its analysis and evaluation of new opportunities for emissions reductions.

In its search to find, pilot and scale innovative ways to cut carbon from the Yarra community, YEF is investigating models for battery storage, Power Purchase Agreements, commercial & industrial solar, and solar for apartments to name a few.

While still receiving core funding from the City of Yarra over this period, the organisation, with full backing of its independent Board of Directors, has begun to explore new directions for sustainable revenue and opportunities for new partnerships.

With a few fresh faces, a reinvigorated brand, and a taste for cutting-edge technologies, YEF had a remarkable year through 2020-21 and is looking forward to the many opportunities and partnerships on its doorstep.

Our Vision

Net zero carbon emissions in the City of Yarra from stationary sources by 2030.

Our vision for net zero carbon becomes more achievable each year as renewable energy generation continues to rise and as the price of new technologies, including battery storage and solar, continues to fall.

Our Mission

To facilitate the uptake of renewable energy and energy efficiency by all sectors of our community.

Executing YEF's role requires considerable focus and a critical filtration of what works and what will not.

Turning ideas into practice requires more than just the right technology, but the community support, financial and business feasibility, and the long-term emissions reductions associated with projects and programs.

YEF's role is to seek out innovative solutions that show potential to exponentially reduce emissions from energy, and empower households, businesses and communities to meaningfully participate and take control of their energy future.

This Year In Review

Yarra Solar Program

Yarra Solar Program has enabled \$292,341 in investment in renewable energy generation by the Yarra community.

Despite ongoing uncertainty due to Covid-19 and its restrictions, the Yarra Solar Program this year attracted 33 contracts signed, and 18 solar systems installed, to date, equating to 131.8 KWs, with 193 Yarra residents and 44 outside of Yarra residents requesting solar quotations.

Launching in September 2020, with new commercial partner EnviroGroup, this was the second year for the Yarra Solar Program. It achieved one third the number of participating households compared with a typical non-Covid year. This was also impacted by a number of residents who received quotes, but did not proceed with solar, largely due to roof deficiencies. This indicates, that despite ongoing pandemic restrictions and a dwindling residential solar roof stock potential, the program continues to capitalise on strong word-of-mouth, YEF's local brand building, and promotions by Yarra City Council.



The Program has also shown that households across metropolitan Melbourne are seeking the leadership and programs that Yarra continue to offer, with an additional 109 participating households equating to 645.65 kW and over \$745,129 in other Council-led programs.

We expect more Yarra households will sign contracts with EnviroGroup due to the high number of residents still reviewing quotes and YEF's leading delivery of similar services through the Melbourne Metropolitan Community Power Hub, which is funded by the Victorian Government through Sustainability Victoria.

Community Batteries

YEF is a national pioneer of community batteries in inner-urban neighbourhood environments.

Community battery projects are launching all across the country, and YEF is at the forefront. Typically the size of a large 4WD, community batteries are like a renewable energy sponge, absorbing excess renewable energy during the day — when renewable generation is at its highest — and supplying that energy during peak times when the grid's energy mix is dominated by coal-fired electricity.

In January 2021, YEF signed a Memorandum of Understanding with CitiPower to pursue a network of 200 community batteries, that remove network constraints, enabling more solar to be installed. In March, YEF also made a highly competitive submission to the Victorian Government's Neighbourhood Battery Initiative for an \$800,000 grant to pilot the implementation of a community battery.

To prove the potential of community batteries, YEF will install a unit (approximately 100kW/250kWh) on the low voltage network within the City of Yarra. A location in Fitzroy North has been selected, subject to local community support. The project will pilot a sustainable commercial model with low operating costs and with community ownership potential.

Through a Victoria-first ownership model, enabling community investment, as well as innovative tariffs and retail agreements, the battery aims to increase community understanding of renewable energy, lower emissions at the neighbourhood-scale, and increase affordability and access to renewable energy.

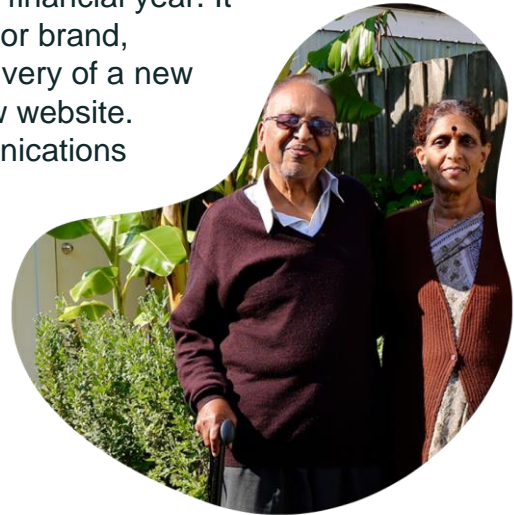
This trial system is expected to be the first in a rollout of up to 200 community batteries across the CitiPower network and is a partnership between YEF, CitiPower, the Battery Storage and Grid Integration Program, a department of the Australian National University, and the City of Yarra.



Brand, communications, marketing and engagement

YEF's brand underwent a refit starting in the 2020-21 financial year. It began with the development of a strategic approach for brand, engagement and marketing, and was followed by delivery of a new visual identity (colours, logo and messaging) and new website. Shortly after, YEF also established a discrete communications function, creating and filling the position for Communications & Marketing Manager.

The combined intent of this effort is to improve YEF's capacity to engage its communities in emissions reductions, as well as its capacity to maximise and scale impact through stakeholder and partner engagement.



YEF has experienced an overall rise in enquiries, calls and emails for its advice and services, including an 18% increase in website traffic over 2021. A large percentage (65%) of these website visitors are engaging with YEF for the first time. Further, individuals are coming to know and trust YEF as an organisation – with a Yarra community survey delivering an average rating of 7.2 out of 10 for YEF as a not-for-profit organisation trusted to lead community energy projects, such as community batteries. Major media announcements including the signing of a Memorandum of Understanding between YEF and CitiPower, broadened awareness of YEF's unique expertise nationally, across industry, stakeholders and government, also better positioning YEF to attract new partners.

Looking Forward

YEF is exploring and developing a deeper expertise so that it can deliver more value to its core funder, Yarra City Council.

There are a range of key opportunities that YEF has identified for emissions reduction, as well as how it is best placed as an organisation to remain financially sustainable in a highly competitive and dynamic funding environment.

Like many small non-for-profits, one of the greatest challenges to YEF is how to sustain its mix of funding and revenue to ensure it will continue to deliver high impact for its community and clear return on investment to funders. YEF is exploring how to transition its business model into one that is capable of rapidly evaluating and pursuing opportunities for scalable emission reductions solutions from energy, while growing YEF's core competencies and specialisation in an expanding field of renewable and community energy businesses and organisations.

One of the greatest opportunities that YEF has invested in is community batteries. Over the past financial year, YEF's Community Battery Project Manager has pushed the organisation into a pioneering position on community battery technology and how to apply it in practice. YEF is exploring and developing a deeper expertise so that it can deliver more value to its core funder, Yarra City Council, while also supporting and engaging with a broader cohort of community and industry partners and renewable energy stakeholders aligned with YEF's vision and mission.

In the financial year 2020-21, YEF positioned itself as a leading contender for major Victorian Government grants to support the development of the first Metropolitan Melbourne Community Power Hub and to pilot the first community battery in the City of Yarra through the Neighbourhood Battery Initiative. With this support, YEF is seeking to deploy ground-breaking new ways to realise emissions reductions from energy while building YEF's capabilities and expertise in highly sought-after areas.

In the year forthcoming, YEF—although a small organisation with mostly part-time staff—has set itself up to forge exciting new pathways at the forefront of the renewable energy transition. It will not be apologetic for its rigorously inquisitive nature and its desire to explore new technologies—where new opportunities for innovative energy climate solutions are waiting to be uncovered.

Board of Directors

YEF is governed by an independent and highly experienced Board of Directors.

David Anstee, Chair

Melissa Cutler, Vice Chair

Cr Amanda Stone, Non-executive Director (Yarra Councillor representative)

Cr Sophie Wade, Non-executive Director (Yarra Councillor representative)

Ken Guthrie, Non-executive Director

Mi-Lin Chen Yi Mei, Non-executive Director

Melinda Scaringi, Non-executive Director

Stephen Thomson, Non-executive Director

Read more about the Board of Directors: <https://www.yef.org.au/about-us/our-people/>

Statement of Profit or Loss and Other Comprehensive Income

Yarra Energy Foundation Limited For the year ended 30 June 2021

	NOTES	2021	2020
Income			
Revenue	2	389,028	422,715
Total Income		389,028	422,715
Total Income		389,028	422,715
Cost of Goods Sold			
Project Expenses		52,044	8,043
Total Cost of Goods Sold		52,044	8,043
Gross Profit		336,984	414,672
Other Income			
Interest Income		676	2,457
COVID Cashflow Boost		47,574	33,654
Government Grants		20,000	-
Jobkeeper Wage Subsidy		68,400	18,000
Total Other Income		136,650	54,111
Expenses			
Amortisation		10,113	-
Auditor Remuneration		5,000	5,000
Depreciation		2,463	529
Employment Expenses		372,163	292,888
General & Administrative Expenses		62,921	39,615
Occupancy Costs		18,000	18,000
Total Expenses		470,660	356,032
Profit/(Loss) before Taxation		2,974	112,751
Net Profit After Tax		2,974	112,751
Net Profit After Dividends Paid		2,974	112,751
Total Comprehensive Income for the year		2,974	112,751

Statement of Financial Position

Yarra Energy Foundation Limited

As at 30 June 2021

	NOTES	30 JUN 2021	30 JUN 2020
Assets			
Current Assets			
Cash & Cash Equivalents		272,745	251,028
Other Assets & Receivables		18,521	15,784
Total Current Assets		291,266	266,812
Non-Current Assets			
Property, plant and equipment		5,884	2,437
Intangible Assets		30,340	40,453
Total Non-Current Assets		36,224	42,890
Total Assets		327,490	309,702
Liabilities			
Current Liabilities			
Trade and Other Payables	3	41,464	30,610
Deferred Income		-	-
Employee Liabilities	4	37,768	21,804
Bank Overdraft		2,143	2,372
Total Current Liabilities		81,375	54,786
Non-Current Liabilities			
Employee Liabilities	4	-	11,775
Total Non-Current Liabilities		-	11,775
Total Liabilities		81,375	66,561
Net Assets		246,115	243,141
Equity			
Retained Earnings	5	246,115	243,141
Total Equity		246,115	243,141

Statement of Cash Flows

Yarra Energy Foundation Limited For the year ended 30 June 2021

	2021	2020
Cash Flows from Operating Activities		
Receipts from grants and commissions	521,451	494,046
Payments to suppliers and employees	(494,500)	(379,022)
Interest received	676	2,457
Net cash provided by/(used in) operating activities	27,627	117,481
	2021	2020
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(5,910)	(2,270)
Purchase of intangible assets	-	(40,453)
Net cash provided by/(used in) investing activities	(5,910)	(42,723)
	2021	2020
Reconciliation		
Net increase/(decrease) in cash held	21,717	74,758
Cash and cash equivalents at beginning of financial year	251,028	176,270
Cash and cash equivalents at end of financial year	272,745	251,028



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YARRA ENERGY FOUNDATION