

CASE STUDY 2 COLIBAN WATER, EAST GIPPSLAND WATER, LOWER MURRAY WATER, SOUTH EAST WATER, SOUTH GIPPSLAND WATER, SOUTHERN RURAL WATER, WANNON WATER, WESTERNPORT WATER, YARRA VALLEY WATER

Zero Emissions Water

Zero Emissions Water (ZEW) Ltd started as a joint project between 13 water utilities in Victoria (now consolidated to 12), to purchase renewable energy from the Kiamal Solar Farm, Victoria’s largest solar farm located in Ouyen in the north west of the state.

This novel partnership between so many water utilities results in cheaper renewable power than if purchased individually. Participating water utilities benefit through lower emissions, while the contract also provides a hedge against rising grid-sourced energy costs. The outcome benefits the environment and creates savings for customers, helping to maintain steady water bills.

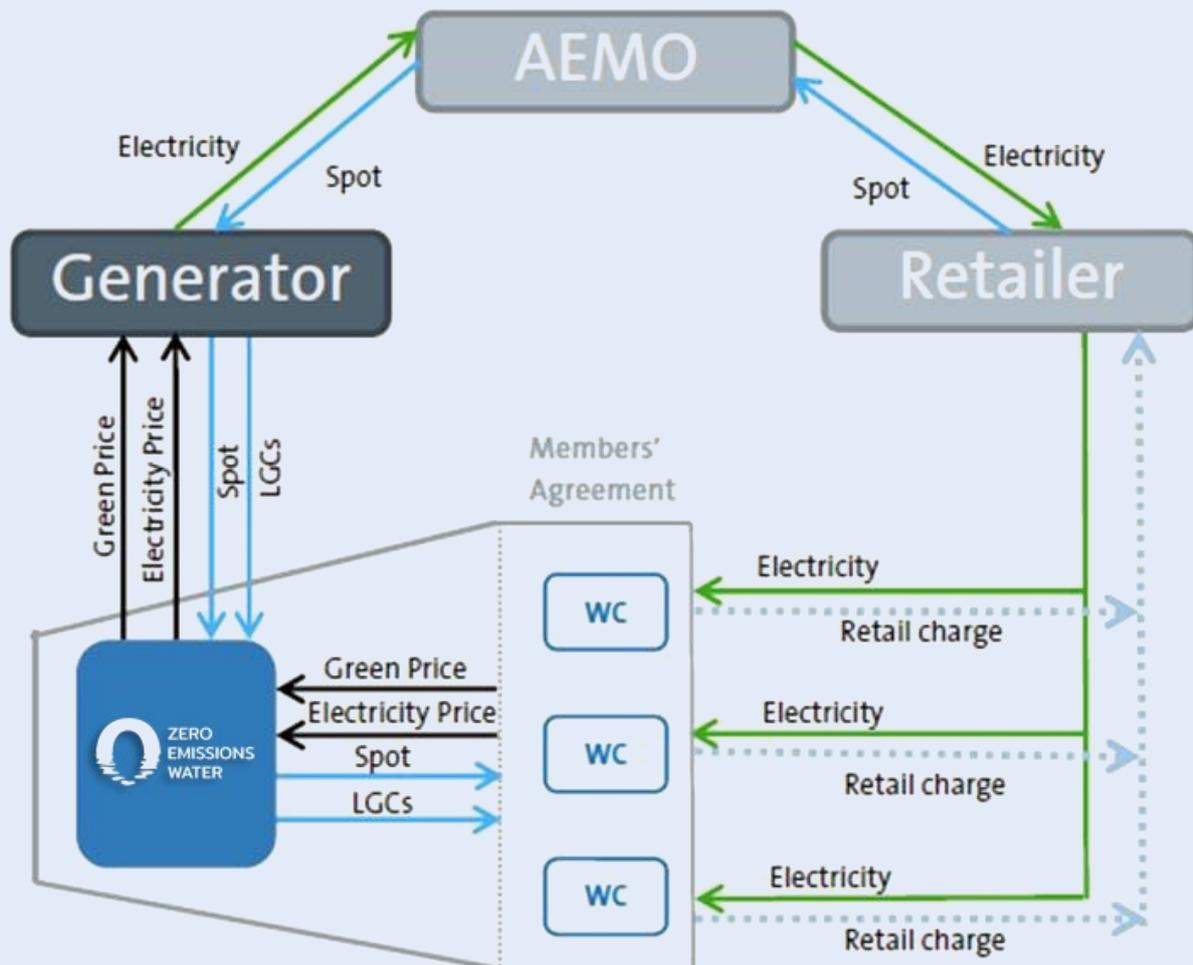
CLIMATE THEMES ADDRESSED



This unique arrangement is the first of its kind in Australia, and a major step forward for the participating utilities reaching Net Zero Emissions.

Background

Since 2018, Victorian water utilities are required to reduce emissions by varying degrees under their Statement of Obligations (Emissions Reduction) issued by the Victorian Minister for Water.



ZEW arose through the Intelligent Water Networks (IWN) program, which is a partnership between:

- VicWater
- 18 Victorian water corporations
- Victorian Department of Environment, Land, Water and Planning.

The IWN program investigates new technologies and innovations to meet common challenges in a more efficient manner. Working together made sense because of the more attractive commercial arrangements to be gained.

Benefits to the utility, and to climate-related outcomes

FIGURE 30 Kiamal Solar Farm, Ouyen



SOURCE Total Eren

ZEW provides each utility with access to cheaper rates and allows smaller utilities with limited energy demands direct access to the corporate power purchase agreement (PPA) market. ZEW negotiates a fixed price contract for renewable power (not including delivery costs which are covered individually with retailers).

Each participant is allocated the portion of power they have subscribed for, and these allocations are settled individually within the ZEW umbrella agreement.

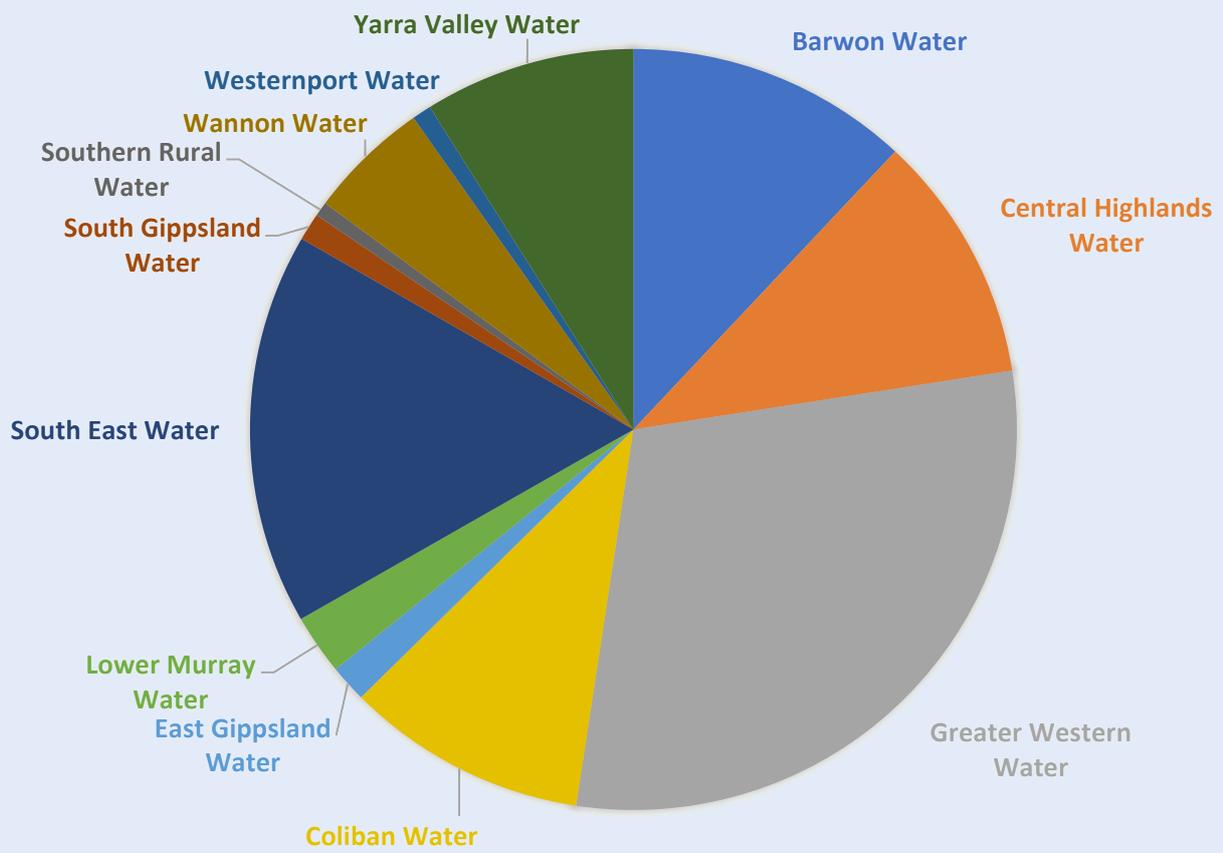
ZEW was created as a limited liability umbrella company that enables participants to aggregate their renewable energy requirements to access the wholesale generation market.

Purchasing renewable power assists each utility to meet their Net Zero Emissions targets by reducing each utility's Scope 2 emissions via imported energy from the grid.

ZEW will purchase 65 GWh of renewable energy per year dependent on how much energy the solar farm can supply to the grid. The power purchase agreement will run to 31 December 2030 and will supply each participating utility between 20% to 50% of their total energy needs, representing a combined emissions reduction of up to 64,000 tonnes (CO₂e) per year based on the current Victorian grid emission factor.

The ZEW contract commenced on 1 October 2019, and the supply agreement is delivering renewable power for members at below market rates, and this is expected to continue for the foreseeable future.

FIGURE 31 Zero Emissions Water members share



SOURCE Yarra Valley Water