



Renewables for All

A Priority Energy Policy Agenda for Australia

Agenda Overview

The Renewables for All project is striving to help create the policy settings and regulatory and market context that allows all Australians, no matter their income or living arrangements, to be able to directly benefit from clean energy solutions such as solar PV, storage and energy efficiency.

Specifically, we call on governments to develop programs and support innovation in new social enterprise business models that increase access to clean energy for low-income households, renters, apartment dwellers and homeowners without solar access.

Context – Our Changing Energy System

The way Australia's energy system operates is fundamentally changing, gone are the days of ever increasing energy demand, passive consumers and one-way flows of electricity from large polluting centralised generators far removed from population centres. We have entered a period of empowered energy consumer and prosumer, decentralised clean energy generators and demand stability.

With well over one million solar households, the genie cannot be put back into the bottle. Indeed, the introduction of low-cost solar photovoltaics (PV), battery storage, energy control and management systems and energy efficiency measures provide an unprecedented opportunity for energy consumers to participate in the energy system.

Unfortunately, this trend comes at a time when \$47billion has been spent upgrading network infrastructure, a third of which was targeted at addressing peak demand that has not eventuated. This has resulted in the doubling of electricity prices, and a strong business case for behind the meter local energy solutions as a way for households and businesses to manage their electricity bills. As Institute for Sustainable Futures puts it:

This downward trend in centralised grid electricity consumption could increase prices further, pushing consumers to reduce consumption even more or disconnect from the grid entirely. This self-perpetuating pattern of upward pressure on prices and downward pressure on consumption is known as the 'death spiral' for electricity networks. It could lead to socially inequitable outcomes as those consumers remaining dependent on centralised electricity sources pay higher and higher prices. This will be exacerbated as disruptive technologies become available to prosumers (McIntosh et al, 2015).

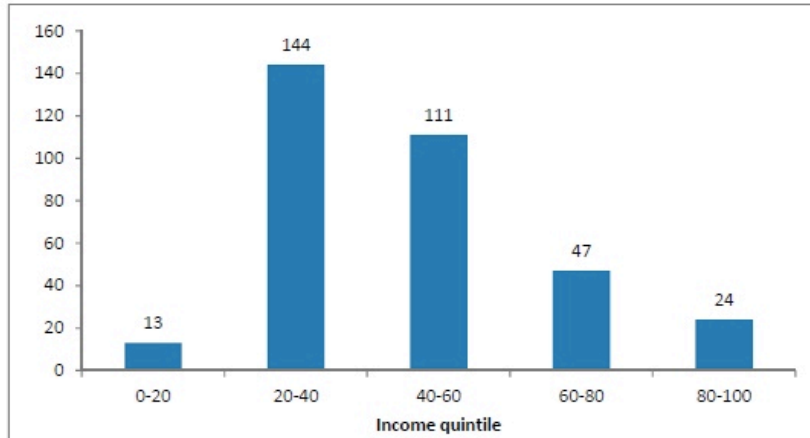
The Social Equality Challenge: A case for innovation and government intervention

Solar PV is not just for the wealthy, as some political commentators would have us believe. Indeed the chart below shows that it is the lower and middle quintile suburbs that have embraced solar. However, what the chart also shows is that Australia's lowest income suburbs have been least able to access solar PV.



This issue of clean energy access exists not only for low-income households but also renters, apartment dwellers and homeowners without solar access or who have inappropriate roofs. For example in the US, it is estimated that 49% of households and 48% of businesses are unable to host their own Solar PV systems (NREL, 2015).

Figure 1: Postcodes above 30% solar penetration rate by income quintile (ESAA)



The lack of access results from fundamental market failures such as split incentives. To address the situation it will require both government intervention and greater innovation by the community and social enterprise sectors.

The solution for these customer segments is not to say no to new changes and hope the old energy paradigm returns. Instead we need to foster innovations that address these market failures and in so doing create a more equitable, affordable and environmentally sustainable energy system. These innovations should work in tandem with existing energy hardship and low-income energy efficiency programs.

About the Renewables for All Project

The *Renewables for All* advocacy project is a strategic initiative of the [Coalition for Community Energy](#), led by the [Community Power Agency](#) and auspiced by [Starfish Initiatives](#). Key participating organisations are Solar Share (ACT), Energetic Communities (QLD) and the Conservation Council of South Australia.

This project was funded by Energy Consumers Australia (www.energyconsumersaustralia.com.au) as part of its grants process for consumer advocacy projects and research projects for the benefit of consumers of electricity and natural gas. The views expressed in this document do not necessarily reflect the views of Energy Consumers Australia and all Coalition for Community Energy member groups.

The project is working with state policy makers and key stakeholders to help create the policies that will increase access to new clean energy technologies to the identified customer segments. The project is being conducted in NSW, Victoria, Queensland, South Australia and the ACT.



Key policy interventions and models

The Renewables for All team held workshops with a range of stakeholders in each of the target states. From these workshops, based on a series of Discussion Papers, the following priority policy interventions and models for increasing clean energy access and affordability were identified:

- Community-owned renewable energy
- Rates-based and other easy repayment financing
- Rent-based financing with social housing providers
- Solar Gardens (also known as Local Energy Trading)
- Mini-grids and embedded networks

More detailed briefing papers to accompany this one have been prepared to support advocacy to advance these five models and interventions. We look forward to working with policy makers to advance the Renewables for All agenda, through targeted and well thought through policies and programs that simultaneously tackle the social and environmental challenges facing our energy transition.

For further information contact:

Nicky Ison, Founding Director, Community Power Agency
M: 0402 0345 80, E: nicky@cpagency.org.au