









VOICES FOR POWER ROADMAP FOR CLEAN AND AFFORDABLE ENERGY FOR ALL: POLICY PROPOSALS

Prepared by the Voices for Power Research Action Team

Syed Mansoor (Water Democracy), Shani Tager (Solar Citizens), Kerri Major (Earth Hour-WWF), Richard Maguire (Greater Western Sydney Energy Alliance), Leah Emmanuel (Voices for Power), Dave Nguyen (Voices for Power), Thuy Linh Nguyen (Voices for Power)

Introduction

The Sydney Alliance Voices for Power Campaign have listened and will continue to the diversity of experiences of our communities of the current energy system.

There are people in our communities dealing with the ever rising cost of electricity bills. There are people in our communities being chased by debt collectors. There are families in our communities scared to turn on the heating in winter. There are people in our communities who feel they cannot confidently negotiate with energy retailers.

There are also people in our communities who want to access new clean energy technologies. However, they are blocked from being able to do, because they rent, living in social housing, or they do not have the upfront finance to install solar.

We need electricity because it is an **essential** service. Electricity should be **affordable** and **clean**. It should be affordable because everyone in our communities, no matter their means and circumstances, should all be able to afford the energy they need to thrive. It should be clean because we have to leave a safe planet for future generations.

However, the current energy system has failed our communities. Electricity is becoming more and more unaffordable. Electricity is being generated by technologies that are contributing to the destruction of the planet. Big companies are getting rich while our communities are struggling to pay the bills and blocked from accessing new clean energy. This is not fair. This has to change.

You as community and religious leaders in Voices for Power Campaign are taking action.

So the Voices for Power Research Action Team present to you the **Voices for Power Roadmap for Clean and Affordable Energy for All**. This is the result of taking our

communities' stories to meetings with experts, reading research and reports - all in the effort to understand how we are going to solve this problem.

Before we present the Roadmap, we need to note at the beginning that we are dealing with a complex problem. There is no one solution that we will solve everything. We need a suite of solutions that address specific experiences of segments of our community. We need to make sure we get a clean and affordable energy for all, meaning all the diversity of experiences of our communities.

Please also note that we in the beginning stages to working out what the appropriate solutions are. We are still learning, researching and asking questions. We welcome your feedback and comments as it will help guide us in our research action.

The **Voices for Power Roadmap for Clean and Affordable Energy For All** involves two parallel actions:

- 1. We are putting the issue of energy affordability back on the government's agenda by calling on the government to **fix** the current system so our communities get the support they need to save on their energy bills and access renewable energy.
 - We are going to call on the government to reform the fragmented, inaccessible and ineffective government assistance programs to make sure that all the people in need of support get that support.
 - We are going to call on the government to commit funding and resources to establish a 'Community Energy Hub' an all-purpose community-run organisation who will engage the communities in language to give our community tailored support to save their bills and switch to solar.
 - We are going to call on the government to put in place policies to allow people who
 rent or live in community housing have access to energy efficiency upgrades and
 renewable energy.
- 2. We are also going to **build a clean energy future** in our communities.
 - There are innovative financing solutions and models to get more affordable renewables NOW for our communities.
 - These include community bulk buys, solar gardens and energy co-ops.
 - In these **Voices for Power Pilot Projects**, we are going build the clean affordable energy futures that we want to see for our communities now.

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Fixing the System: Putting Energy Affordability back on the Government's Agenda

Community Energy Hubs

Prepared by: Syed Mansoor, Richard Maguire

Problem

Articulation of the problem

There is a lack of awareness on the available energy solutions that would help households reduce their power bills. This results in stress due to high bills and can lead to disconnections from the retailer in worst cases.

This problem can be greatly reduced by improving energy efficiency and solar solutions or in some cases just switching retailers. However, households might be suffering due to lack of literacy on energy combined with lack of trust on multiple "energy consultants" or bill comparison websites with high amount of commission based vested interests providing energy solution.

There are better resources available e.g <u>Energy Made Easy</u> by the Australian government that provide reliable information.

The renewable energy and energy efficiency is a technologically dynamic sector that requires a customer to stay up to date with new solutions available in market.

Stories that illustrate this problem

- Stories from people suffering high power bills due to locked-in contracts and unjustified higher bills.
- Lack of awareness from people claiming to be "ripped off" by solar sales personnel based on them discovering much better offers available on financing their solar panels and rebates.
- A part of V4P table talks included a presentation on energy literacy and feedback from the community members overwhelmingly suggested the need for a better understanding of energy bills.
- A pilot event on energy literacy was organized by GWSEA was attended by 60 community members and was described as helpful by the attendees. The event included unbiased experts from the field and provided solutions for residents and businesses in Western Sydney region.

Policy Proposal

The Proposal

Develop a network of Community Energy Hubs in Sydney that will:

- Provide Energy use advice and facilitate the implementation of the advice by connecting community members to relevant professionals.
- Engage community and provide solutions on recurring issues relevant to the problem.
- Facilitate renewable energy solutions.
- Create an infrastructure for energy advocacy at the grassroots level for future policy proposals.
- Provide unbiased advice on all issues related to high power bills and assist hardship customers in avoiding disconnections.
- Provide all this information in the language of the constituent.

Other models

Some similar programs have existed in forms of forums conducted by

- Blacktown Energy Initiative
- Greater Western Sydney Energy Alliance
- Moreland Energy Foundation

How will this policy proposal benefit our communities

It will help the communities by:

- Avoiding high bills in the first place by implementing mitigation strategy and preventing the higher bills from occurring rather than waiting for the event to happen.
- Connecting them to relevant professionals in case of energy hardship to assist them and alleviate stress.
- Advocate for the community members based on highly valuable data accumulated via these hubs to support best possible policies at state and national level.
- Mitigate carbon emissions and promote a sustainable lifestyle while providing financial advantage to the community members.

Political considerations

Who are the decision-makers to influence?

- Existing community groups
- Councils
- National and State level agencies can be extremely useful for funding and grants.

Who will stand in the way of this proposal?

TBD

Solutions for Renters

Prepared by: Shani Tager

Problem

Articulation of the problem

Renters and people who live in (either owning or renting) apartments are not able to put on solar and some might not be able to make energy efficiency upgrades. This means they have less options for reducing their power bill and generating clean energy.

Policy Proposal

The Proposal

Options:

- Mandatory rental standards that include energy efficiency/rooftop solar
- Incentives for landlords to put solar on their properties
- Rates based financing for landlords to put solar on their properties
- Grant scheme for apartment blocks to put on solar

Existing policies/program - Why do these need to change? Why it doesn't work?

This is a policy gap -- nothing currently to address the problem. This article sets out the problem and a number of solutions. For renters, the problem is to ensure the tenant benefits while the landlord gets a return on their investment and also making sure that the landlords are not just getting free upgrades to their property.

Examples from other areas:

- Queensland solar renters -- \$4million to support 1000 rental properties to go solar.
- Startup <u>Suntenants</u> where the rent is increased and the renter gets the benefit of the panels.
- Startup Allume for apartments which meters usage.
- Varied examples of apartment buildings installing solar for common area use (see greenstrata)

Political considerations

Who are the decision-makers to influence?

These policies are a great fit for the NSW Government's climate change fund. That makes the NSW Government / Don Harwin / Berejiklian the key decision makers.

Who will stand in the way of this proposal?

Perrottet (treasurer) could be opposed but using the fund means the money is already there so has less power.

What opportunities are coming up for us to work on this proposal? NSW election, NSW labor conference.

Solutions for People Living in Public and Community Housing

Prepared by: Leah Emmanuel

Problem

Articulation of the problem

Most of Australia's public and community housing stock is ageing, with 65% built before 1980, and is very expensive to heat and cool. People living in public and community housing are disproportionately affected by increases in power and utility bills, but have little say over renovations/retrofitting/upgrading of housing stock and are not permitted to install solar panels on government- or community housing provider-owned properties.

While recent years the Government has shifted its emphasis to being a *provider* of public housing (owning, building, managing own stock) to being a *facilitator* of social housing (transferring this responsibility to Community Housing Providers, charities, etc.), community providers have limited supply of affordable housing stock relative to demand, but are unable to access affordable land to develop more community housing. This is especially relevant to our communities: the majority of demand for social housing in Australia comes from Sydney, and in particular Liverpool and Fairfield areas.

Low income tenants are therefore locked out of accessing affordable, clean and efficient energy and housing because of structural barriers in the social housing system.

Policy Proposal

The Proposal

A comprehensive program to secure efficient and affordable energy for social housing tenants. This includes a combination of:

- Retrofitting and upgrading existing public housing stock
- Replacing inefficient electric water heaters and heaters in existing public housing stock
- Expanding financing schemes for community housing providers to retrofit and upgrade existing stock, build energy efficient new properties and install solar PV systems on all their properties

Existing policies/program - Why do these need to change? Why it doesn't work?

There is some state and federal funding available for community housing providers (CHPs) who wish to construct energy efficient homes or retrofit/upgrade existing stock, primarily through loan schemes. State funding is provided through the Office for Environment and Heritage (OEH), but the main source of funding for CHPs are through loan schemes conducted by the Clean Energy Finance Corporation. In 2015, the Clean Energy Finance Corporation (CEFC) provided \$60 million in loans to CHPs to fund the construction of energy efficient homes. In 2016, the Turnbull government announced a further \$250 million of funding

to CEFC to finance the construction of 1,000 new energy efficient homes by CHPs.

While there has been a push from the NSW State Government to transfer public housing stock to CHPs and encourage the supply of social housing from CHPs instead of government, the majority of social housing tenants in NSW still live in public housing. These tenants are living in old and energy inefficient homes, are on low incomes and unable to make the necessary retrofits or upgrades on government owned properties. However, there are no government programs or policies in place to upgrade or retrofit public housing stock to make them more energy efficient or energy saving, nor are there any plans to install solar PV panels on existing stock. Public housing tenants therefore miss out, not only on opportunities for more energy efficient upgrades to their homes, but also to rapidly developing new energy efficient and renewable technologies.

However, in other states, such as in Queensland and Victoria, some programs have been rolled out for public housing including the installation of solar panels, retrofitting or energy efficiency upgrading programs that can provide some insight and precedent for future policy proposals for NSW.

Government of Victoria Programs (underlines are hyperlinked to more info)¹

- EnergySmart Public Housing program, which will replace inefficient electric water heaters and electric heaters in 1,300 public housing properties and delivering tailored upgrades to a further 200 from 1 July 2017.
- The <u>Victorian Healthy Homes program</u>, will provide free home energy upgrades to up to a number of vulnerable Victorians who live with complex healthcare needs, and have low incomes, in Melbourne's western suburbs and the Goulburn Valley.
- The <u>Affordable Retrofits program</u> will support a number of Victorian concession and low income households with an in-home energy assessment, home energy retrofits as well as guidance on whether their retailer is providing them with the best deal on their energy bills.

Government of Queensland programs

- Trial programs of solar installation in Cairns, Rockhampton and Logan Housing Service Centre areas have households taking part in the trial since 2017
- The trial is testing several business models, including solar power purchase
 agreement for public housing properties managed by the Cairns and Rockhampton
 Housing Service Centres in regional Queensland, as well as the Logan Housing
 Service Centre in South East Queensland. The second model is a 200-kilowatt rooftop
 solar farm installed on government-owned buildings in the remote Indigenous
 community of Lockhart River.

How will this policy proposal benefit our communities

The largest proportion of social housing demand is in Southwest Sydney, where most of public housing stock is old, poorly maintained and energy inefficient. The majority of energy

¹ Source and more information: https://www.energy.vic.gov.au/energy-efficiency/home-energy-assist

usage comes from heating and cooling, including water heaters. Replacing water and household heaters with more energy efficient models can reduce bills significantly, not just for electricity but also water and gas (think about how long you need to run the shower until the water heats up with an electric water heater). Retrofitting and upgrades increase energy efficiency of current homes, leading to savings on energy bills, and are often accompanied by other improvements and repairs which will enhance the quality of the homes in question.

Political considerations

Who are the decision-makers to influence?

- Pru Goward, NSW Minister for Social Housing
- Don Harwin, NSW Minister for Energy

Who will stand in the way of this proposal?

Reform of Government Assistance Programs

Prepped by: Dave Nguyen

Problem

Articulation of the problem

NSW electricity prices are unaffordable. Since 2008, electricity prices have doubled. Alongside this dramatic rise in costs, a large number of people do not know assistance programs and vouchers exist, they cannot access them or the assistance is not enough support.

Policy Proposal

The Proposal

The review and reform of fragmented, inaccessible and ineffective government assistance programs, which includes:

- Making rebates proportional, rather than a flat rate.
- Better methods of informing people of assistance programs.
- A straightforward customer assistance program eligibility screening.
- Get utility companies to do more in communicating with their customers about assistance programs.
- Expansion of the HEAP program and energy efficiency appliance swaps to better suit vulnerable populations.
- Improve the engagement of vulnerable groups with assistance programs.

The NSW Council of Social Services have listed <u>recommendations</u> in improving current assistance programs (pages 23-28):

- Expansion of HEAP to include, provision of in-home audits, access to financial counselling, NILs, appliance upgrades and community solar schemes.
 - Expanded program to be developed in consultations with stakeholders, with reference to the successes of previous programs such as the Home Power Savings Scheme.
- Review the EAPA system to improve availability, awareness and ease of access.
 - Expand the number of organisations able to issue EAPA vouchers.
 - Better information regarding EAPA to be provided through all available Government and community information points, including Service NSW Centres and Centrelink Offices.
 - Linking the receipt of EAPA vouchers to other government and retail supports, energy efficiency programs and financial counselling services, to help build longer-term financial sustainability for people accessing the program.
- That eligibility for the Low Income Household Energy Rebate be extended to holders of Commonwealth Low Income Health Care Cards.

Existing policies/program - Why do these need to change? Why it doesn't work?

- Various assistance programs and rebates:
 - Low Income Household Rebate
 - o Medical Energy Rebate
 - <u>Life Support Rebate</u>
 - o Family Energy Rebate Gas Rebate
 - Gas Rebate
 - Energy Accounts Payment Assistance (EAPA)
 - Energy Blackouts Compensation
- HEAP (Home Energy Action Program)

According to a <u>report</u> published by the NSW Council of Social Services:

- 35% of people did not know about the Low Income Household Energy Rebate
- 40% were unaware of Energy Accounts Payment Assistance (EAPA) and the Family Energy Rebate
 - 13.6% believed they couldn't receive the EAPA vouchers, even though it is available to anyone who is unable to pay their bills
- 59% were not aware the Home Energy Action Program (HEAP) existed

PIAC has stated in an <u>ACCC Inquiry</u> (pages 5-6), that it is critical that those on low income, and other vulnerable consumers, are made fully aware of the support options that are available from their retailer.

 In many cases, these customers are unaware of their entitlement to retailer hardship support. They are often disinclined to seek support, due to the stigma associated with seeking assistance, until the problem is exacerbated by accumulated debt and/or forgone expenditure on other essential products and services.

How will this policy proposal benefit our communities

- Currently there is no detailed plan on how to improve assistance program engagement in vulnerable populations
- There's no insight into how consumers can be better informed in regards to the assistance programs available

Political considerations

Who are the decision-makers to influence?

- Donald Harwin
 - Minister for Resources, Energy & Utilities
- Office of Environment and Heritage

Who will stand in the way of this proposal?

Government-Owned Not-For Profit Retailers

Prepared by: Thuy Linh Nguyen

Problem

Articulation of the problem

The wholesale and retail electricity markets are broken. Prices have risen exponentially. The retail market is dominated by the 'Big 4'. Privatisation and 'competition' of the for profit retail market has not yielded lower prices for consumers.

Policy Proposal

The Proposal

A government owned not-for-profit energy retailer specifically for low-income households.

Poweraccess was a model proposed by Solar Citizens and Community Power Agency for South Australia.² They proposed:

- The remit of PowerAccess is to supply electricity and other energy services such as energy efficiency upgrades, solar PV, and more to low-income households.
- Goal is to ensure that its customers spend less on electricity and supply as much as possible renewable energy.
- Similar model exists in Scotland, called 'Our Power' with the Scottish government committing to establish a government owned non-profit retailer by 2021.

• Who would PowerAccess service?

- Primary customers that can access PowerAccess is eligible energy concessions.
- Review must be done to ensure those experiencing hardship and energy stress are adequately covered by current concessions scheme eligibility crtiera.
- Customers who are disconnected to be automatically referred to PowerAccess.
- PowerAccess a standing provider for public housing tenants.
- Govt notify concessions customers that they have a choice: either retain their existing energy concessions or become a customer to Power Access.
- Then once a household is regularly recording low power bills, staff would work with households to move them to market offer most suited to their needs.

Who would run PowerAccess and how much would it cost?

- SA govt could establish a new govt-owned entity.
- Or tender for a non-profit provider.
- Condition: NFP, goal of lowering household power bills without affecting standard of living i.e. rationing energy would not be considered a success for this provider.
- Will cost more than concession programs in the short term. However current concession programs are inadequate. Ability to focus on energy efficiency,

² Solar Citizens, Community Power Agency, PowerAccess - Clean, cheap energy for all.

solar, other energy services over time - opportunities to have sustainable change for households.

What are the day-to-day operations of PowerAccess?

- Basics of any retailer purchasing electricity, managing risk, issuing bills, setting prices and tariffs
- Hotline to dispense detailed advice
- Energy service arm identify customers most in need of energy efficiency and other services.
- Could work well with Community Energy Hubs and social welfare orgs to delivery practical energy efficiency, solar and measures to achieve its remit for customers.

Other models

Our Power - Scotland

- In 2015, 35 social housing providers banded together to set up NFP energy company, Our Power, that serves more than 200,000 residents.³
- Initiative backed by 2.5million pound loan from the Scottish Government and 1 million pounds from Social Investment Scotland.⁴
- Expected to save its members up to 10% of household utility bills compared to standard commercial tariffs.⁵
- The company is 100% asset-locked, with surpluses generated re-invested to benefit its customers and their communities.⁶
- Scottish govt plans to establish a Scottish public energy company

People's Energy

- Promised to be a truly open and transparent energy supplier⁷
- Promises to return ¾ of all profits to customers in form of annual rebate
- Share salaries, decisions, accounts and prices to customers
- Customer representation on the board of directors.

UK models⁸

- Islington Council launched a NFP energy firm, London's first municipal operator
- Doncaster company.
- Robin Hood Energy in Nottingham
- Bristol Energy
- Pushed by genuine concern over fuel poverty
- Councils are trying to trusted and better service for people to switch challenge the 'Big Six'

Existing policies/program - Why do these need to change? Why it doesn't work?

³ Solar Citizens, Community Power Agency, PowerAccess - Clean, cheap energy for all; Repower Australian Plan.

⁴ Solar Citizens, Community Power Agency, PowerAccess - Clean, cheap energy for all.

⁵ Solar Citizens, Community Power Agency, PowerAccess - Clean, cheap energy for all.

⁶ https://www.insider.co.uk/news/four-not-profit-energy-companies-11326009

⁷ https://www.insider.co.uk/news/four-not-profit-energy-companies-11326009

[§]https://www.theguardian.com/business/2017/oct/27/publicly-owned-energy-minnows-take-on-big-six-in-troubled-uk-market

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There are no public/ not-for-profit energy retailers. They are all owned by private companies. How will this policy proposal benefit our communities

- Low-income customers would be better off, serviced by organisation with objective to reducing their customers electricity bills rather than just profit oriented.
- While power bills may not be reduced immediately, over time due to the all the services it would provide to make homes more energy efficient, switch to solar etc.
- Benefits the govt and for profit retailers: Low income households due to hardship programs and disconnections are costly to service for commercial retailers.
 PowerAccess would reduce the cost burden on private retailers.

Political considerations

Who are the decision-makers to influence?

- Solar Citizens and CPA proposed the PowerAccess model during the South Australian election.
- Nick Xenophon was on board. Not sure whether Labor was on board?
- We probably need to influence the the NSW state govt to take up this proposal.

Who will stand in the way of this proposal?

Building a Clean Energy Future Now

Financing Community Solar

Prepped by: Kerri Major

Problem

Articulation of the problem

Although installing solar can provide cost savings on regular electricity tariffs, or replace the need to draw electricity from the grid altogether, the solar PV system needs to be operational for some time, 'accumulating' these savings, before the initial cost of the solar PV system is recovered. This period of time is known as the payback period on investment. For example, if the solar PV system cost \$5,000, and you save on \$200 of electricity bills a quarter, the payback period is 6.25 years.

Payback periods depend on the size of the system, on the pricing of the solar panels, as well as the other components such as inverters (balance of systems). In some cases, some solar installers promise payback periods as short as 6 years, while others are as long as 15-20 years.

As such, there are high upfront costs to installing solar. There are several lenses by which you could view this:

- This is an investment that will take time to mature
- It is equivalent to front-loading your electricity bills, paying upfront for 15 years, which can be a big commitment.
- It is similar to paying more money for an energy efficient fridge, which we know will save on running costs over time.

As an individual, this cost can be daunting and risky. How does one pay this amount of money and commit to something for 15 years? What if the system fails, even if there are guarantees and warranties in place? In addition to costs, there are location issues: What if I live in an apartment and there is no way for me to individually own a solar PV system on my roof? What community area will be suitable for a solar garden?

For these scenario we will consider only community solar situations where individually owning a system is not feasible (e.g., you don't have your own roof).

There will be a few ways to mitigate this risk:

- Spread the cost over more residents in the same building (renter/strata model). Another way is to find a group of likeminded people in the community, install a solar PV system in a common area (the solar garden model) and share the cost, with potential for investment returns after some years
- Lowering the costs of the solar panels and equipment in the first place, which will in

turn reduce the payback period. This is where solar bulk buys come in.

Other barriers to community solar:

- Lack of financing
- Location availability (where can we find an area that will be relatively undisturbed for 15 years?)
- Location suitability (is it secure? Safe for maintenance access?)
- Technical regulatory hurdles

Examples of technical hurdles

If your proposed system is of a certain size (>10kW??) then you will require a generation license from the state, a license similar to that of a power plant operator. This in itself is problematic - who is the entity that will own the license? Who is financially and fiscally responsible for the power plant, if it is owned by the community?

Policy Proposal

The Proposal

Technically feasible

- For the community hub to mitigate the risks through bulk buys of solar and other equipment.
- We can leverage on existing expertise such as Parracan and ShineHub, and WWF's RE buyers forum for businesses
- A list of consultants for site assessment and to scope size of solar PV systems will be useful.

Existing policies/program - Why do these need to change? Why it doesn't work?

How will this policy proposal benefit our communities

Political considerations

Who are the decision-makers to influence?

Who will stand in the way of this proposal?

What opportunities are coming up for us to work on this proposal?

Fewer policymakers need to be involved. The bulk of the work lies in collecting a critical mass of demand in order to buy at discounted prices.

Other considerations include:

- Working out arrangements with solar installers (no lock-in arrangements or favoured suppliers will be ideal) to install the equipment across various projects
- Otherwise we can request for proposals/quotes and go with the best deal

Summary

Proposal	Degree Decision Maker Support necessary	Community Engagement	Time to Implement
Community Power/Energy Hubs	Could start within the community, would need support to expand	Scalable, could start small then grow. This could be a framework for the various community education and decision support efforts mentioned	Some efforts exist, could grow
Renters	If landlords and renters agree, none. Changing rules could make it easier	Good for renters, both detached and apartments	Medium to long
Public and community housing	Government would need to decide on public. There are barriers to community providers	Minor for the most part. Would only affect people in that sector	Long term
Reform of Assistance Programs	Entirely dependent on them. Could be that some changes would be beneficial	Beneficial to low income. Amount of engagement depends on the ask and political/money cost	Some things medium term others long term
Publicly, ie Government owned retailers	Totally dependent on them, would require loosening of their enthusiasm for private sector	Would be hard to maintain momentum. Benefits uncertain	Long term

Solar Gardens	High	Once feasible, would be attractive. Overall Benefit not clear because of network charge	Very long. Depends on rule changes.
Solar Bulk Buy	None	Good for those who can install solar This is already being done by others (Shinehub)	Could start soon, difficulty of finding people and expertise neede