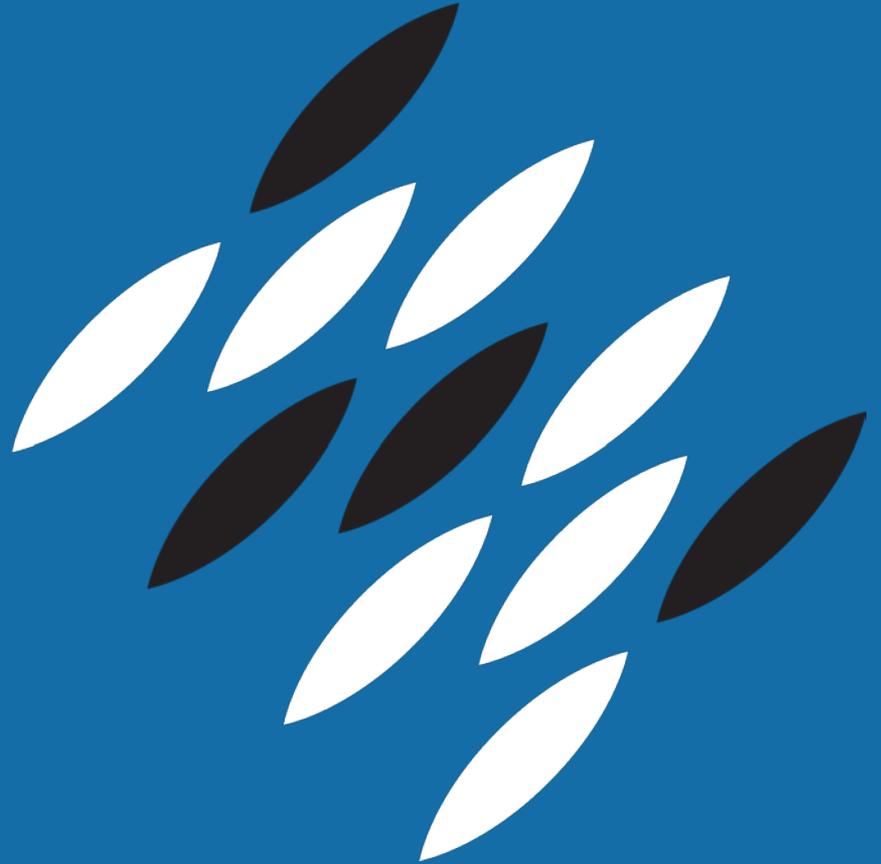


Beyond Energy Savings

IEA Workshop
Paris, 5-7 March 2018

Lynne Gallagher
Director, Research



What I will cover

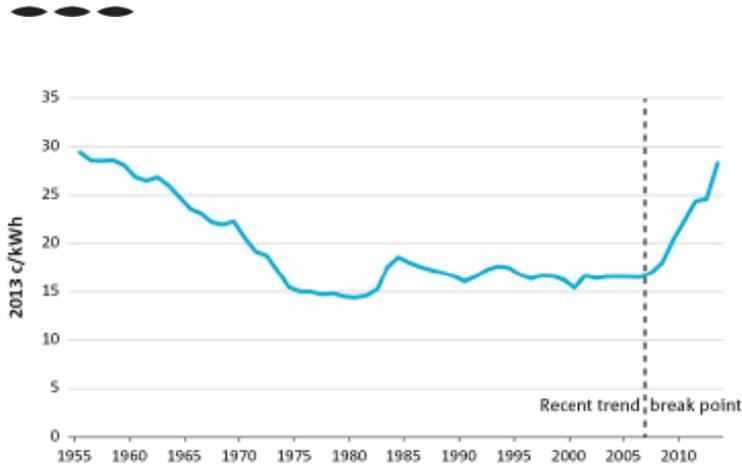
- Why in Australia we need to go beyond energy saving?
- How can we go beyond energy saving?
- What it takes to go beyond energy saving?

Why? Affordability



Generational change in affordability in Australia

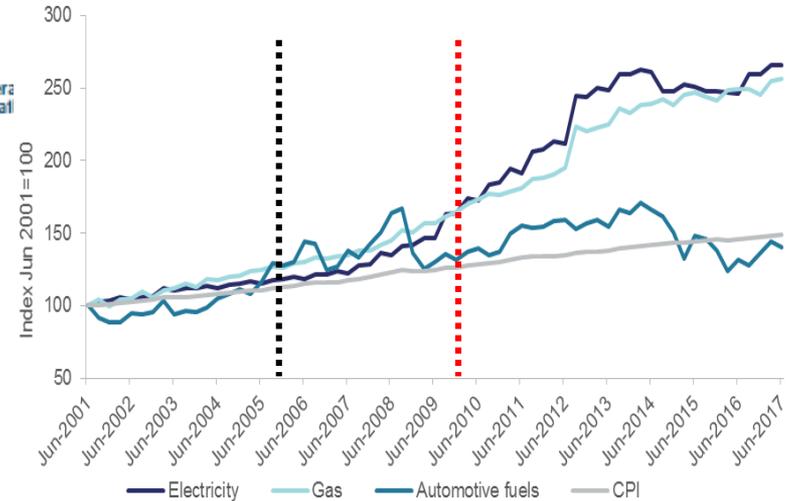
Electricity prices in real terms never been higher



Source: CSIRO, Change and Choice

Figure 1: Historical average national electricity retail prices (2013 dollars)

Source: ESAA (various); ABS (2013a)



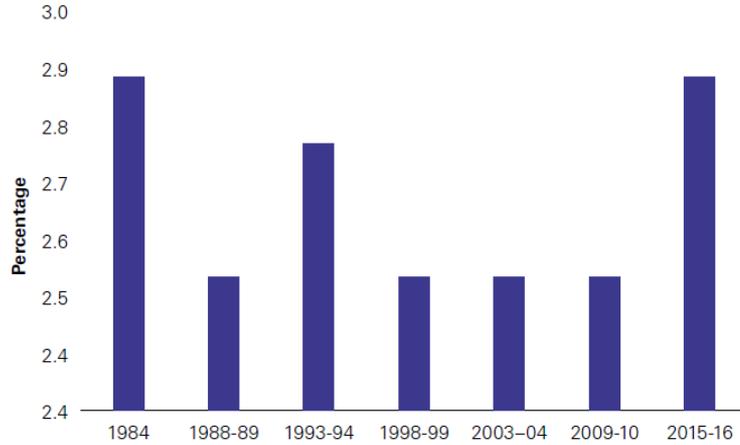
Source: AER, Energy Market Update

Electricity is usually the primary source of energy for heating and cooling homes, and for climate control and powering equipment in small businesses

The average household spends 2.9% of their budget on energy

Disconnection rates are rising

Share of wallet: household spending on domestic energy



Source: ABS Household Expenditure Survey

Average weekly household spending by income quintile

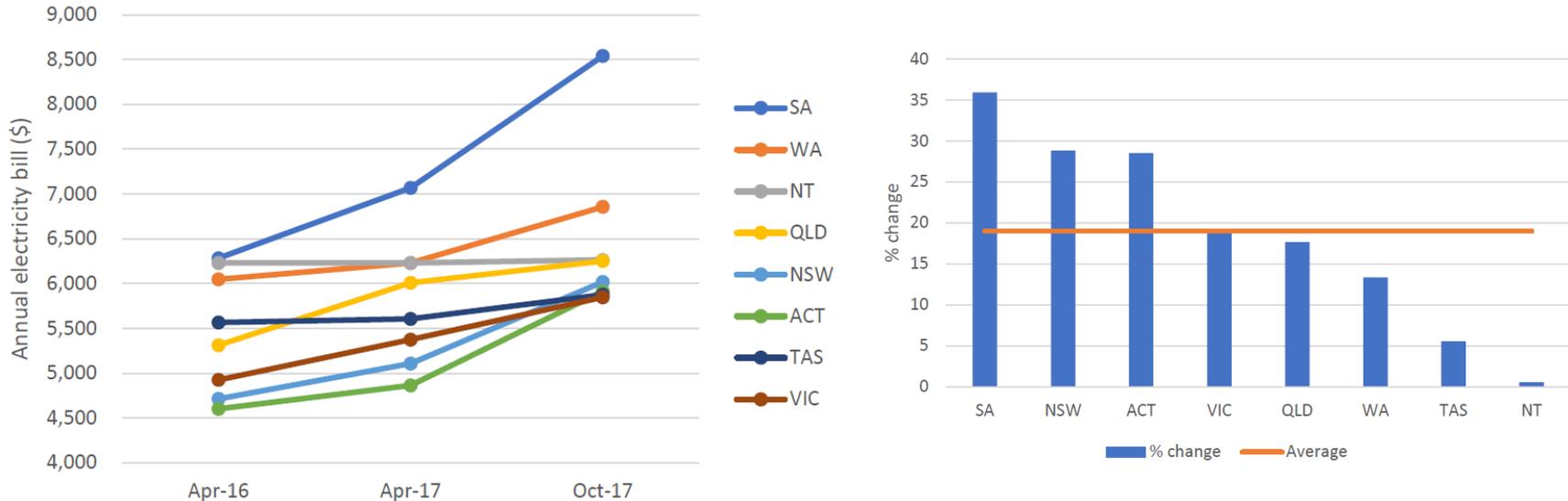
	Lowest	Second	Third	Fourth	Highest	All households
Domestic energy	\$34.25	\$38.09	\$40.55	\$43.83	\$49.16	\$40.92
Average number in household	2.2	2.7	2.8	2.7	2.6	2.6
Spending per person	\$15.57	\$14.11	\$14.48	\$16.23	\$18.91	\$15.74

Source: ABS Household Expenditure Survey

The averages disguise the increase in energy poverty. There are 1.5 million low income households, who spend between 5% and 12% of their income on energy. KPMG estimates that 1% (420,000) of Australians are low income, large family households (200,000 children) living in energy poverty.

Significant increases in last 18 months

Challenging small business profitability and employment



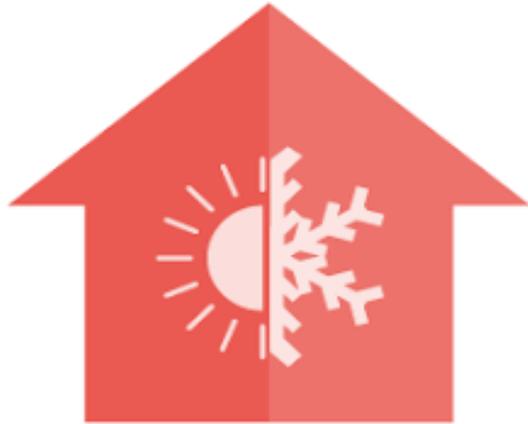
These are the changes in electricity bills for SMEs between April 2016 and October 2017 (based on annual consumption of 20,000 Mwh)

How? A new social compact



Prices likely to remain at historical high levels

A new social compact is needed in Australia



Comfortable homes



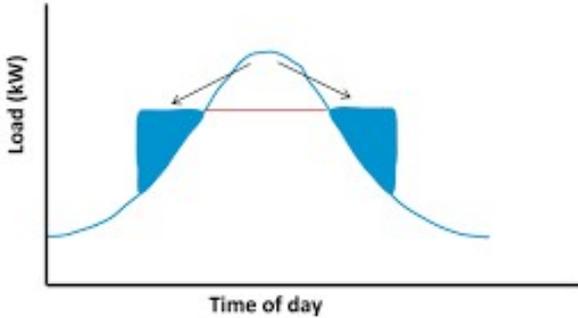
Competitive businesses

A holistic approach to rewarding flexibility in energy use

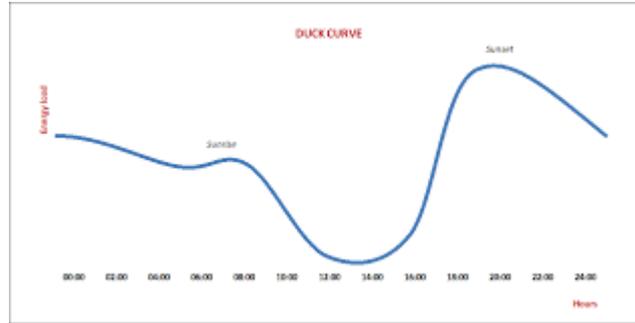
Small consumers have done all they know how with energy efficiency



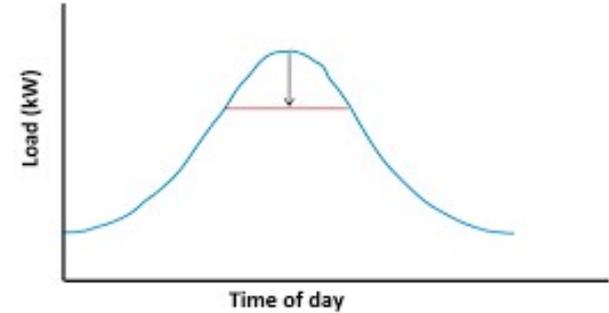
Shaping



Shifting

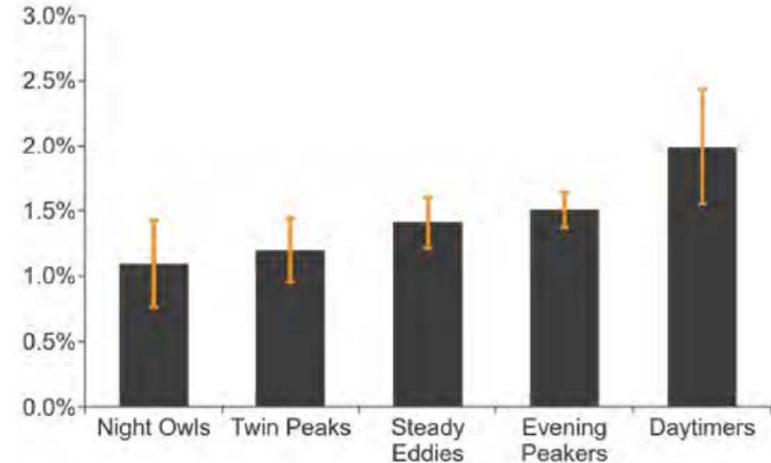
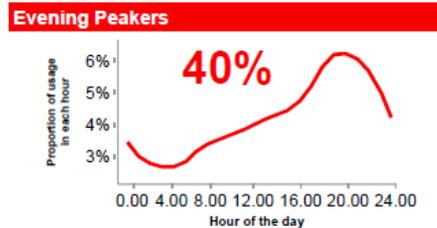
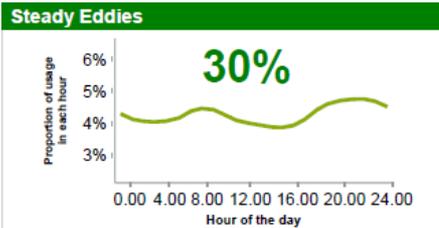
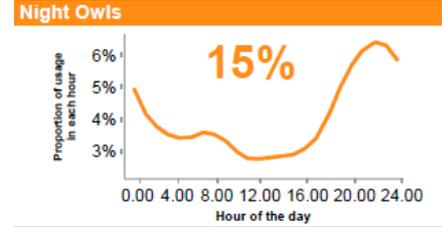
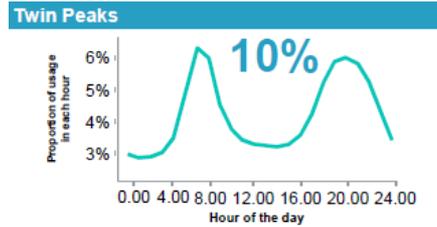
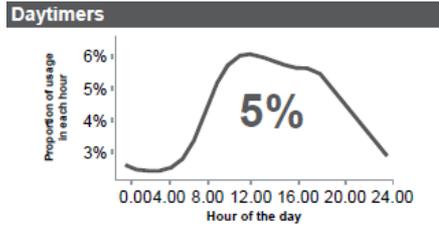


Shedding



Beyond energy saving to customer reward and control, and addressing the poor standard of Australian homes

But an approach that recognises differences in households



Source: Michael Frades, Oracle

Energy efficiency savings

Meeting consumers where they are, and as they are.

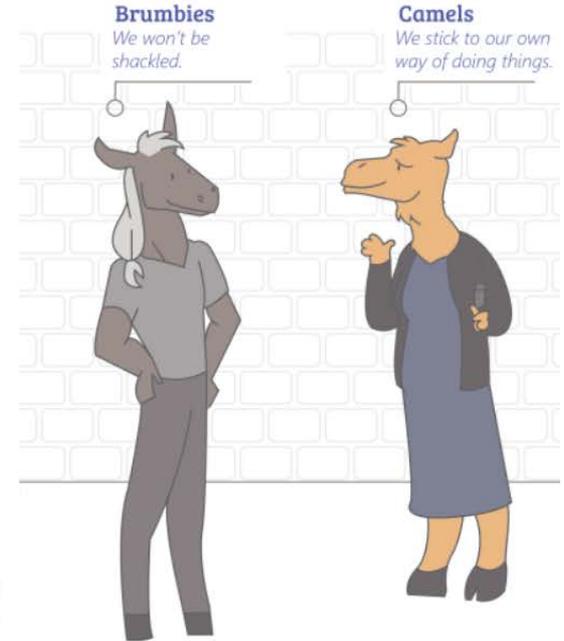
Household Personas

for time-of-use pricing and technology



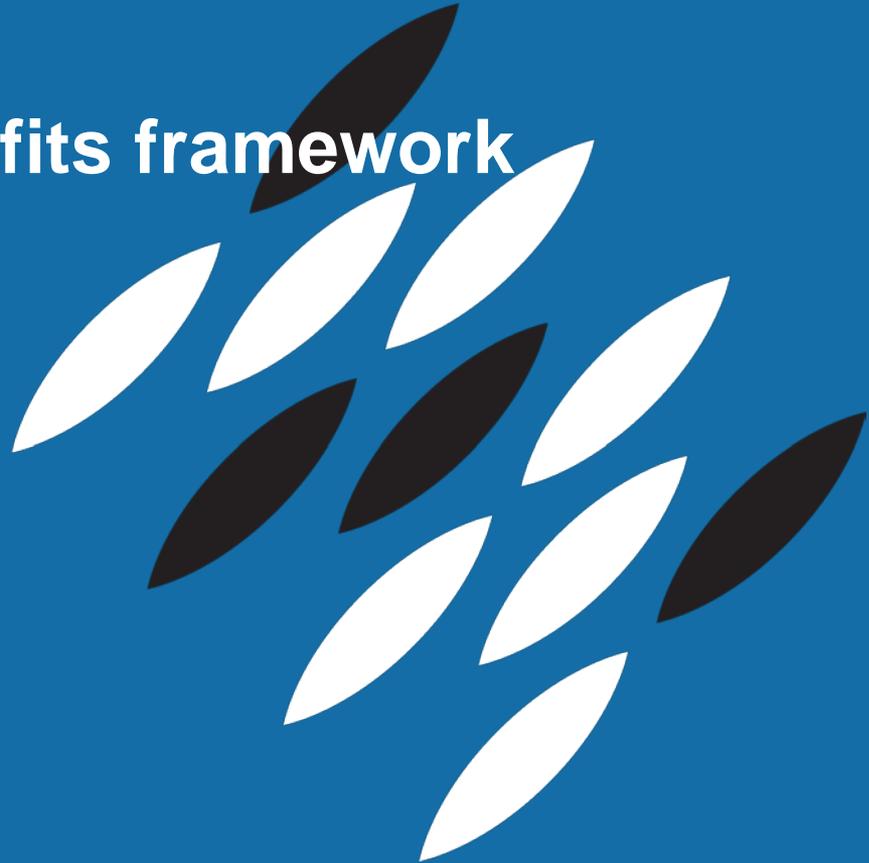
Anti-Personas

for time-of-use pricing and technology

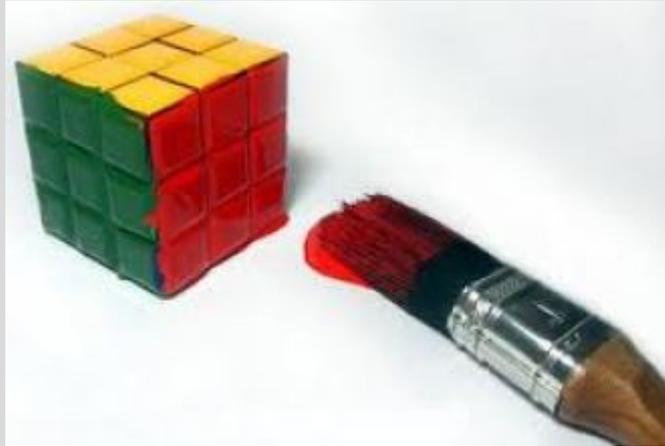


Source: Citysmart research project

An Australian multi-benefits framework



A comprehensive multi benefits framework for Australia

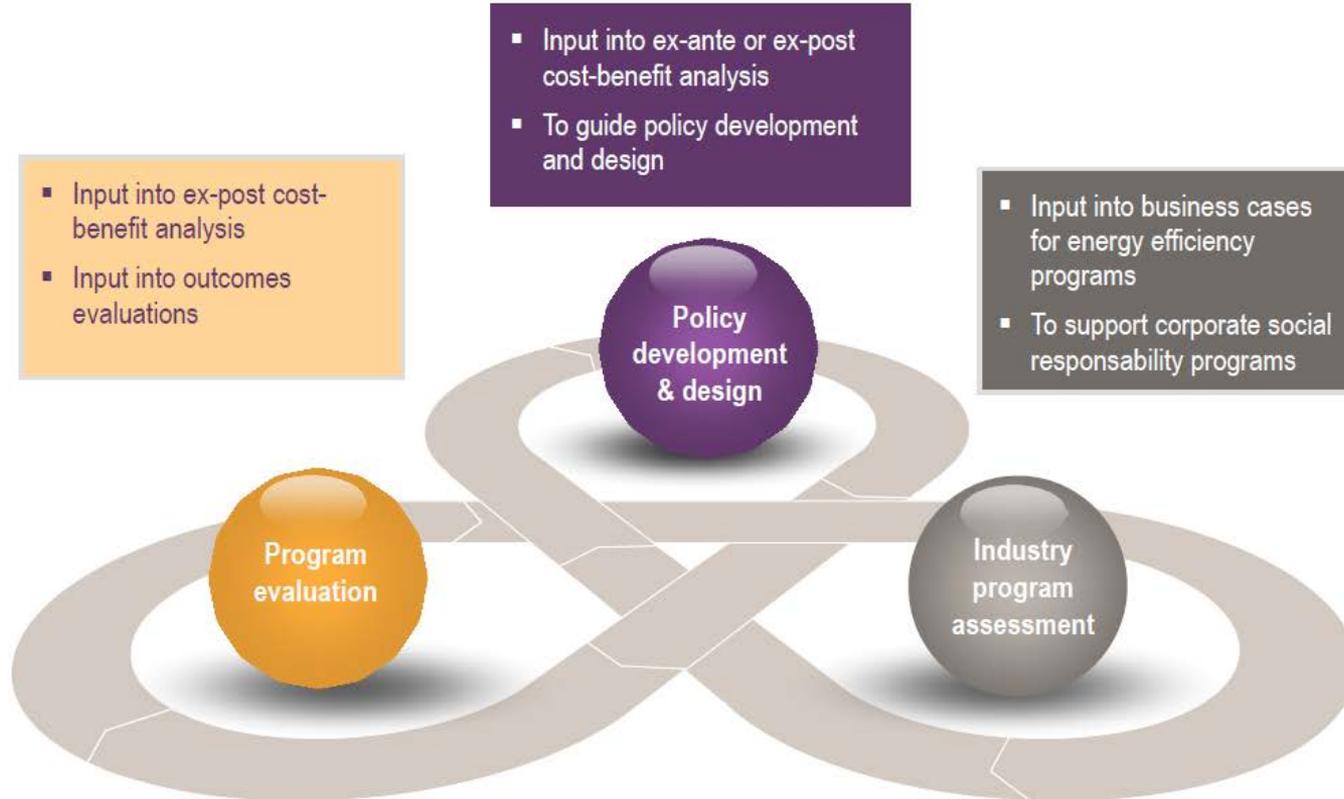


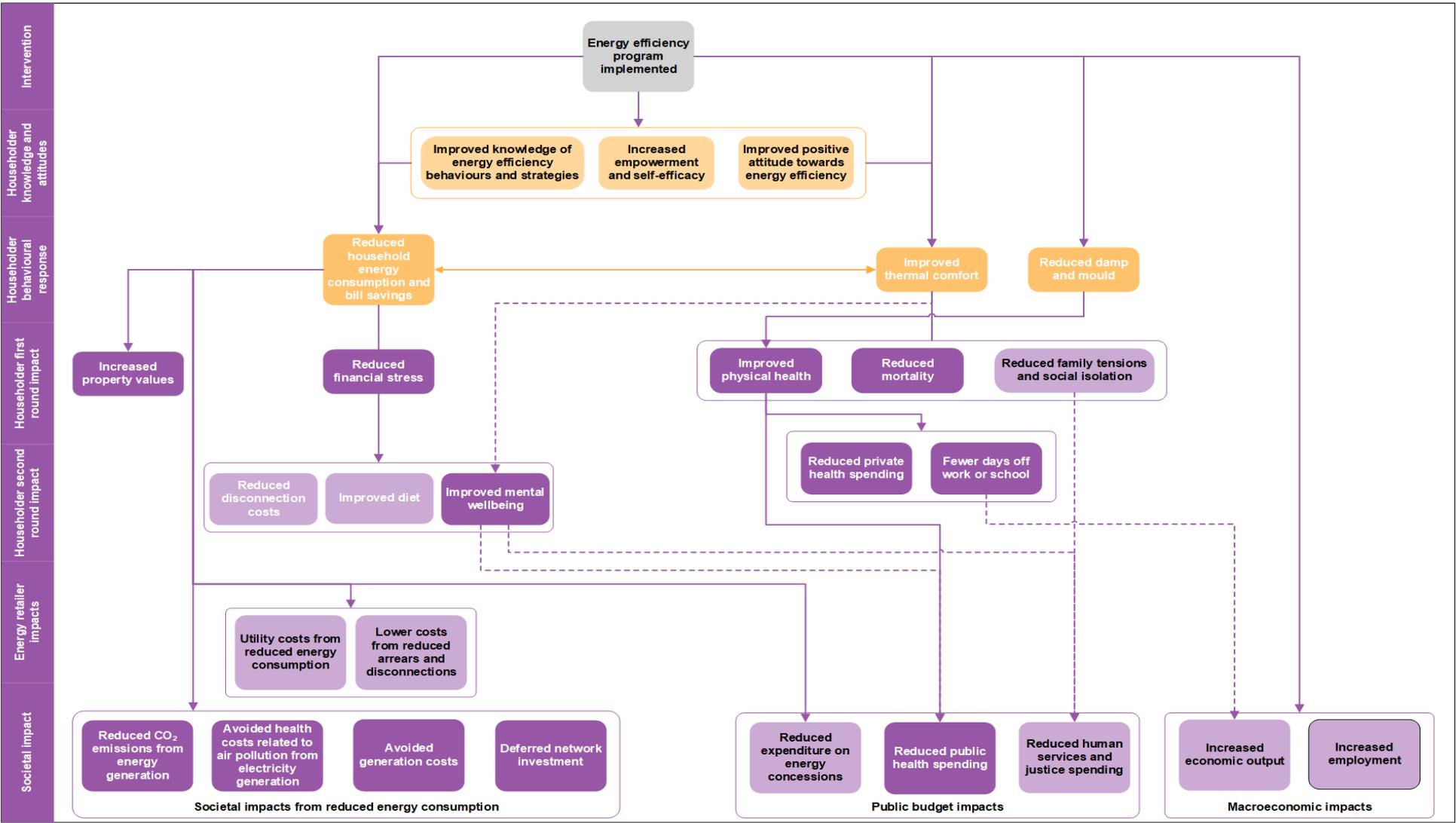
*You can't fix what you
cant measure*

*You can't fix what you
cant understand*

Supporting both government and industry playing a role

Becoming part of the value proposition





Going beyond energy savings

What is needed to make the framework robust for policy makers

We need to understand benefits that could be of greater value:



- Improved physical health (reduced morbidity and mortality), improved mental wellbeing and reduced financial stress, family tensions and social isolation

Significant work needed to quantify impacts for specific Australian circumstances that take into consideration, for instance:

- Socioeconomic factors, climate zones, current characteristics of the building stock and penetration of energy efficient fixtures and appliances

Further research in Australian context required to close gaps in our knowledge to improve the efficiency and effectiveness of energy efficiency programs:

- Developing harmonised indicators to measure impacts
- Developing instruments to collect robust data for these indicators

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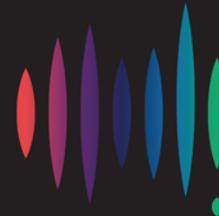
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