

Power Shift Workshop

Opportunities to empower consumers

Power Shift – Overview and key findings

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What I'll cover



- Power Shift aims and objective
- Consumers experience in the market now - particularly those struggling to pay their bills
- Overview of LIEEP
- Key Findings

Power Shift aimed to assist energy companies and government to deliver services and programs that help consumers manage their energy use, in particular low income and vulnerable consumers.



Our objective:

That people are confident that the actions they take will make their home more comfortable and control their energy bills and usage.

Outcomes to be achieved through the Power Shift grant (\$1.8 million)



An independent review of the Low Income Energy Efficiency Program's findings in order to:

- ❖ improve our evidence based understanding of:
 - what really works in supporting vulnerable consumers to manage their bills;
 - related consumer behaviour; and
 - opportunities for market-led solutions; and
- ❖ provide seed funding for the Group of Energy Efficiency Researchers (GEER) Australia

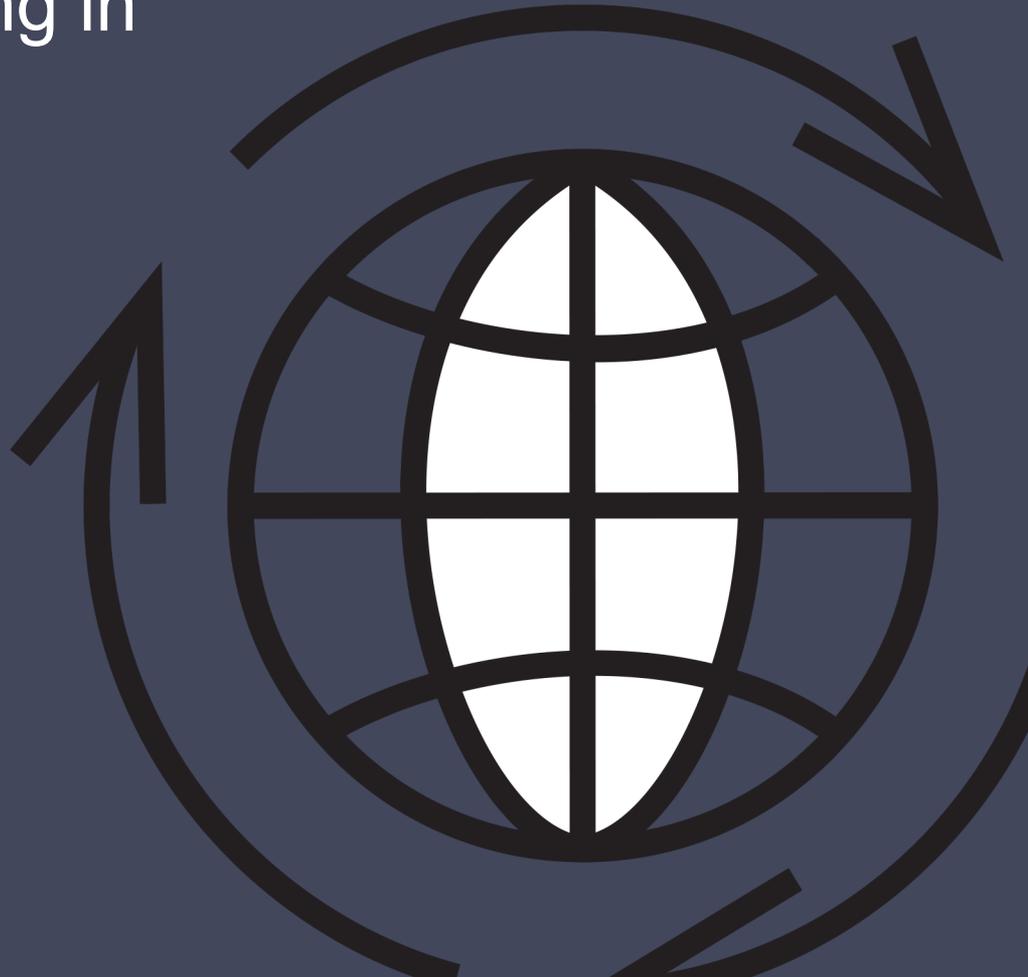
GEER Australia
Group of Energy Efficiency Researchers

GEER Australia members are driven to improve the energy related wellbeing of Australian households through our research and collaborative efforts with government bodies, not-for-profit organisations and the energy sector. We are Australia's peak research body on residential energy efficiency, with a particular passion for supporting those most in need.



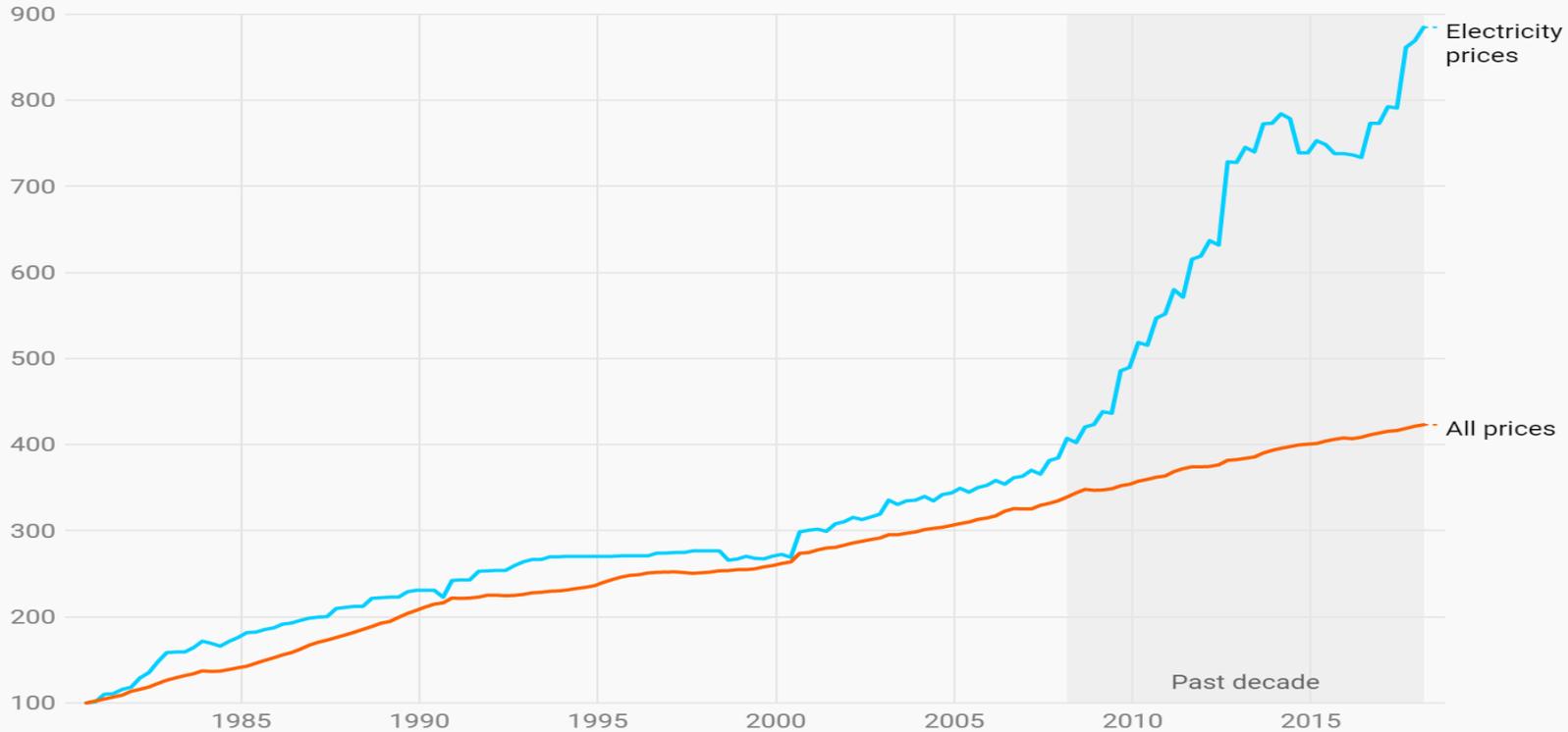
How consumers are faring in the energy market

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Consumer price index of electricity

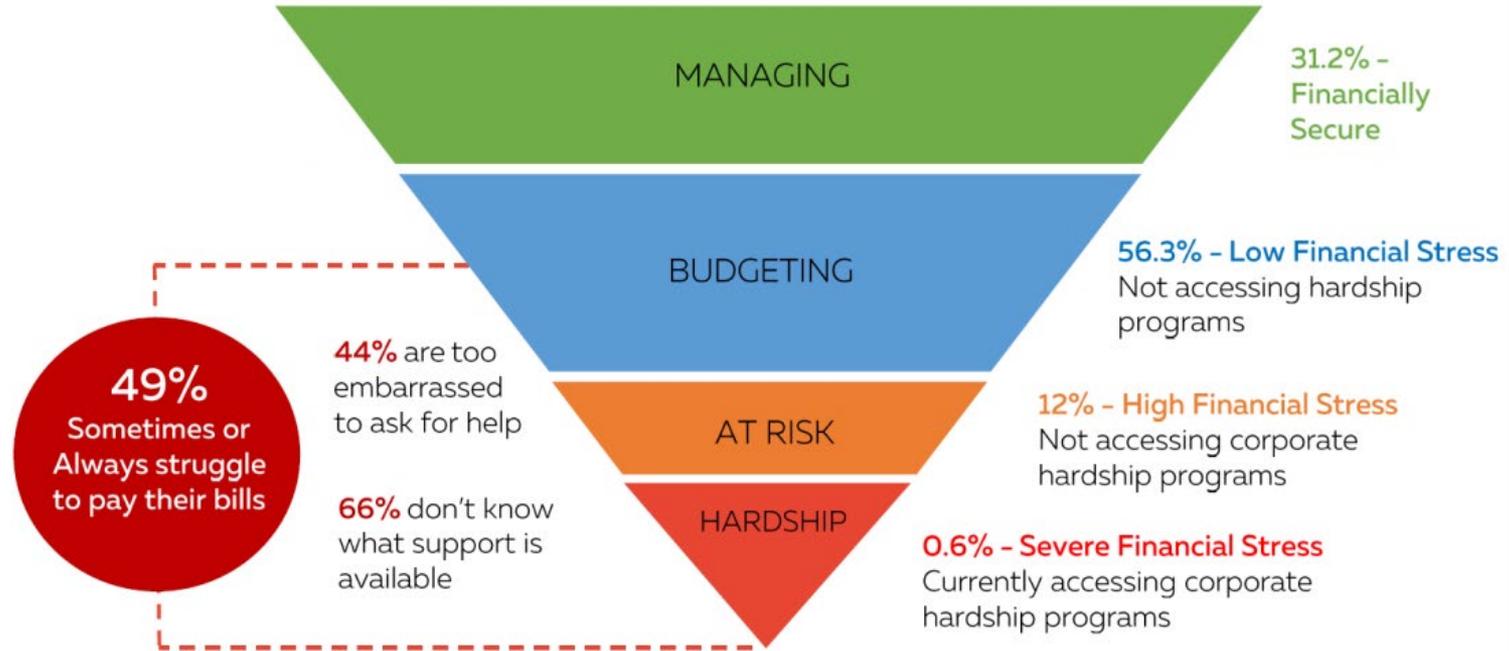
Quarterly change in consumer price index of electricity prices compared with all prices since September 1980.



Prices at 1980 Q3 are indexed to 100. Chart shows percentage change per quarter of each price group.

Chart: ABC News • Source: [Australian Bureau of Statistics](#)

Current State of Financial Vulnerability

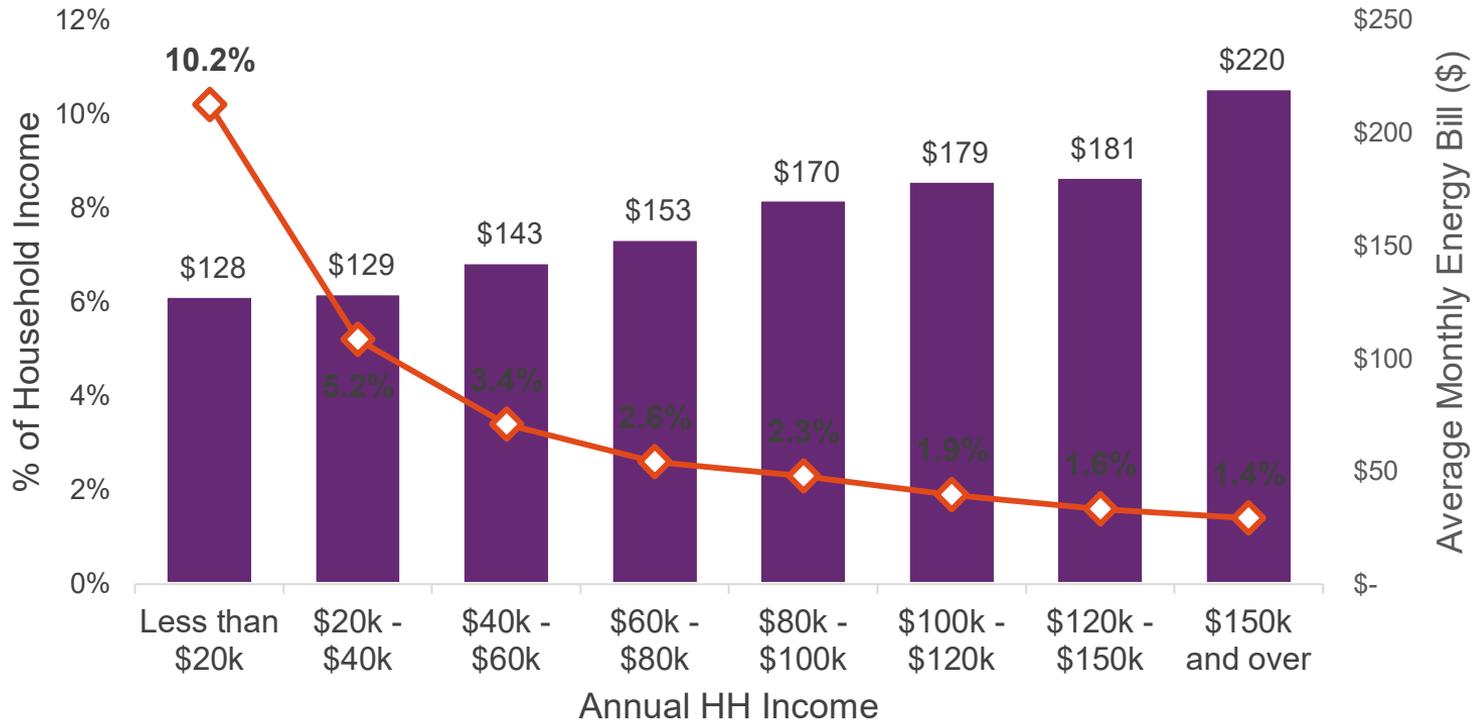


Source: Thriving Communities Partnership

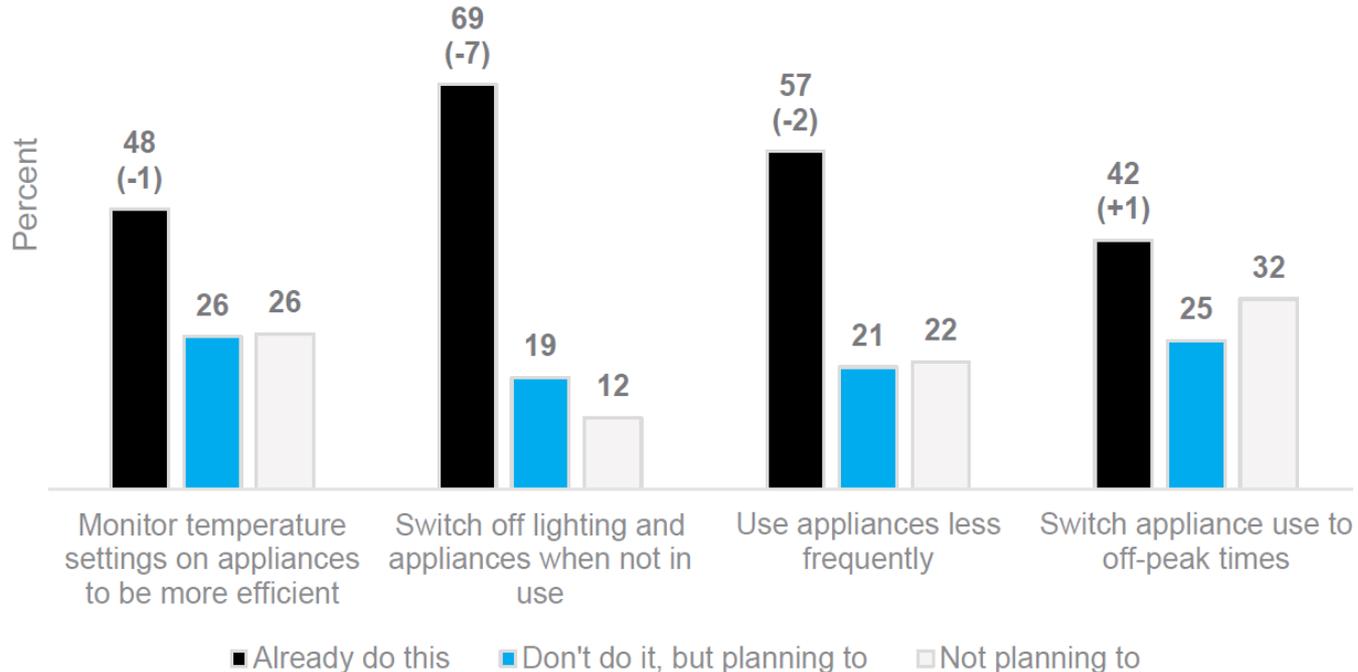
An energy “divide”?

Some households may not be able to afford the energy they need

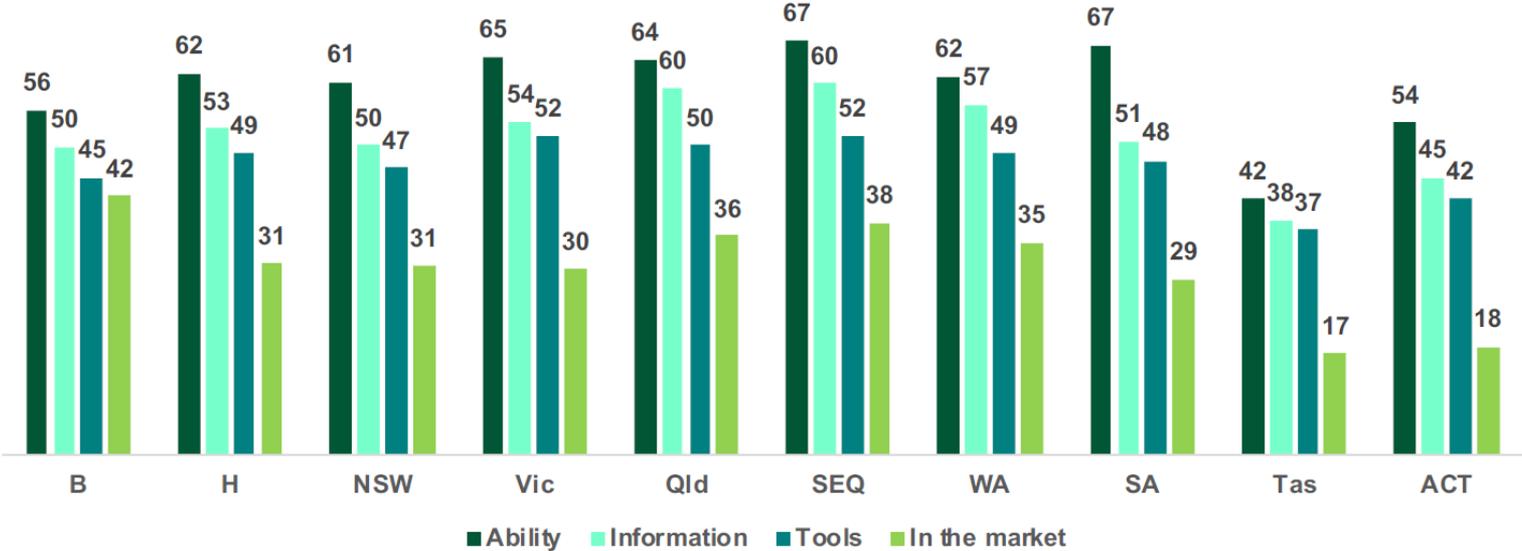
Energy bills as a proportion of household income



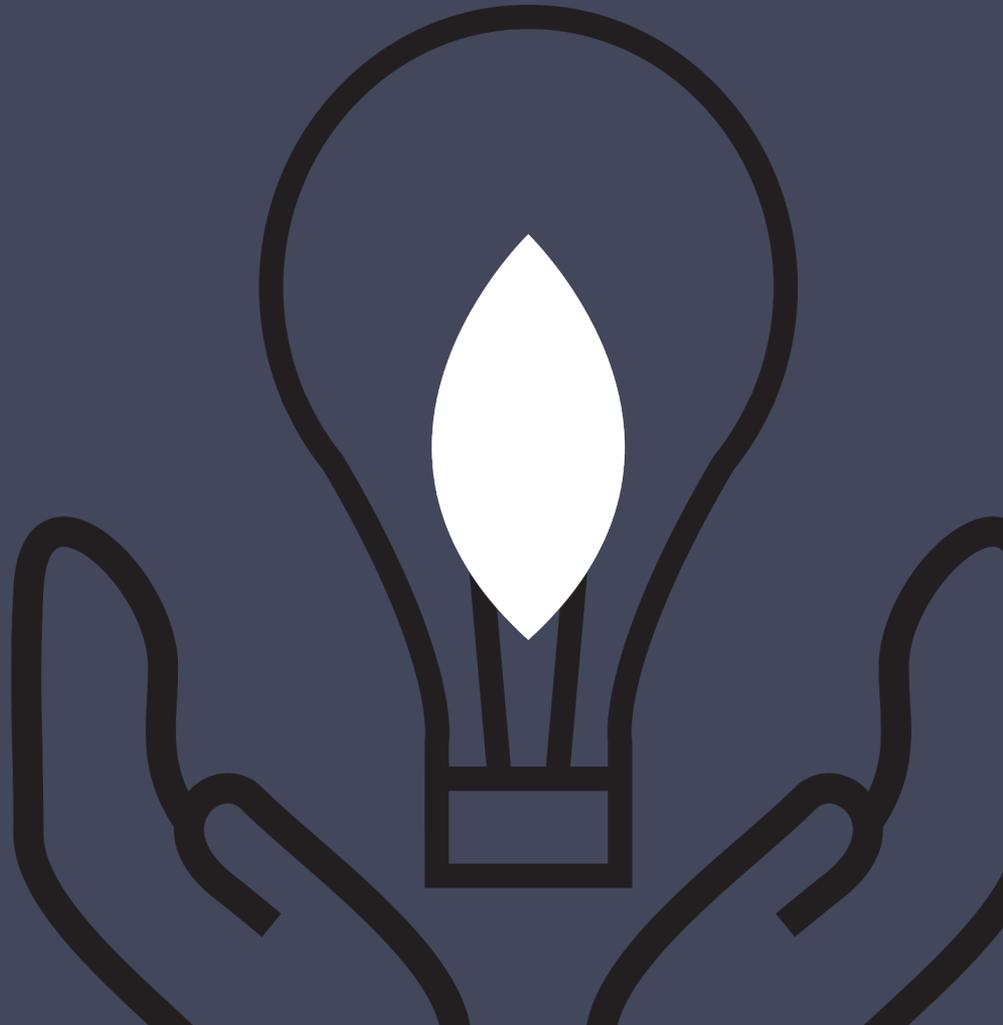
Willingness to change energy “habits”



Confidence and trust are key to success in enabling consumers to make informed decisions and changing habits



Low Income Energy Efficiency Program



Low Income Energy Efficiency Program (LIEEP)

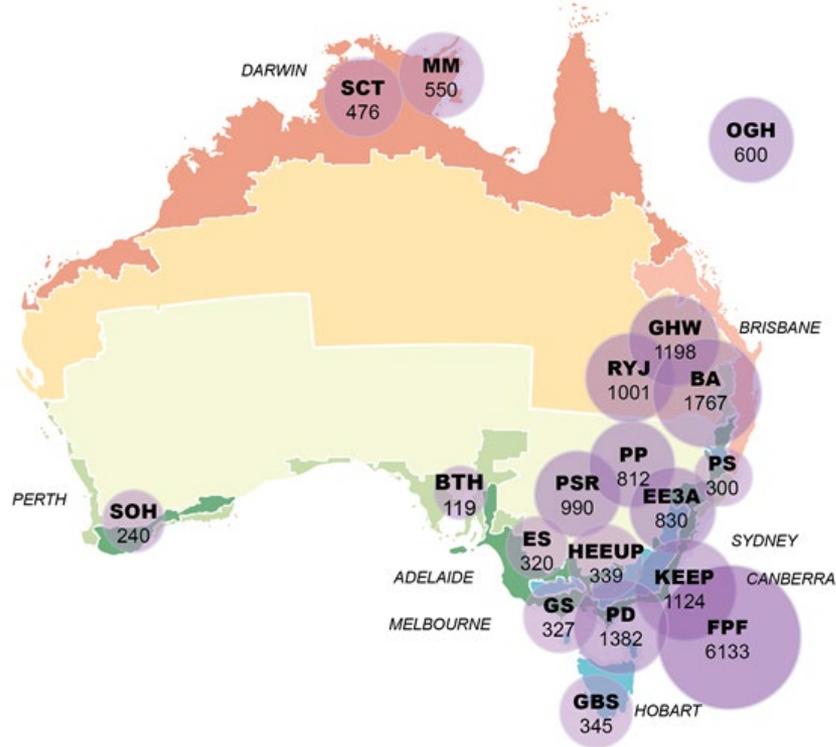
Objectives

- 
- Assist low-income households to overcome barriers to energy efficiency to better manage their energy use
 - Capture and analyse data to inform future policy and programs.

Scope

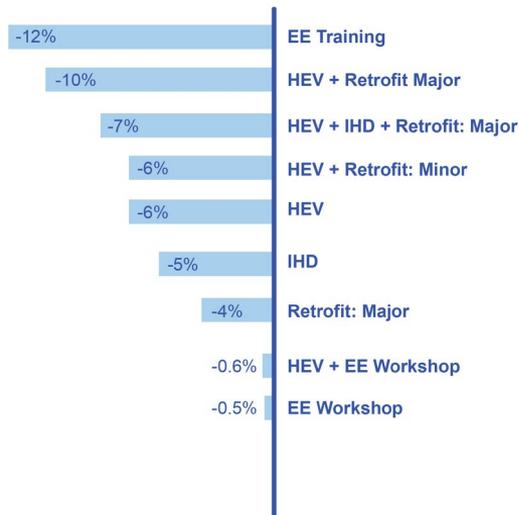
- Twenty pilots - ranging from \$420K to just over \$12million. Commonwealth contributed \$56m, consortia \$17m.
- Pilots ran from 2013 – 2016
- Data on the responses of 20,000 participants

Locations and Number of LIEEP Participants Captured in LIEEP Reports

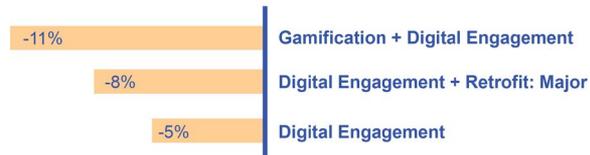


Average Daily Household Electricity Use Per Initiative

High Touch



High Tech

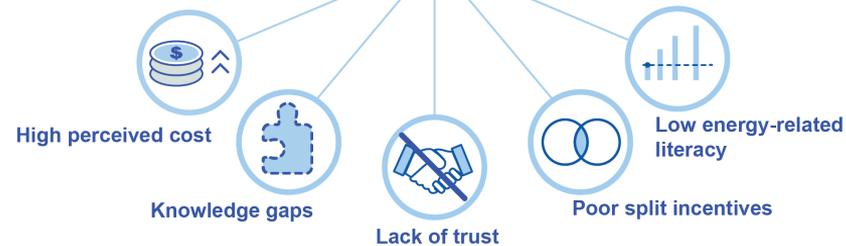


Motivators and Barriers to Adopting Energy Efficiency Practices

Motivators



Energy Efficiency Practices Adoption



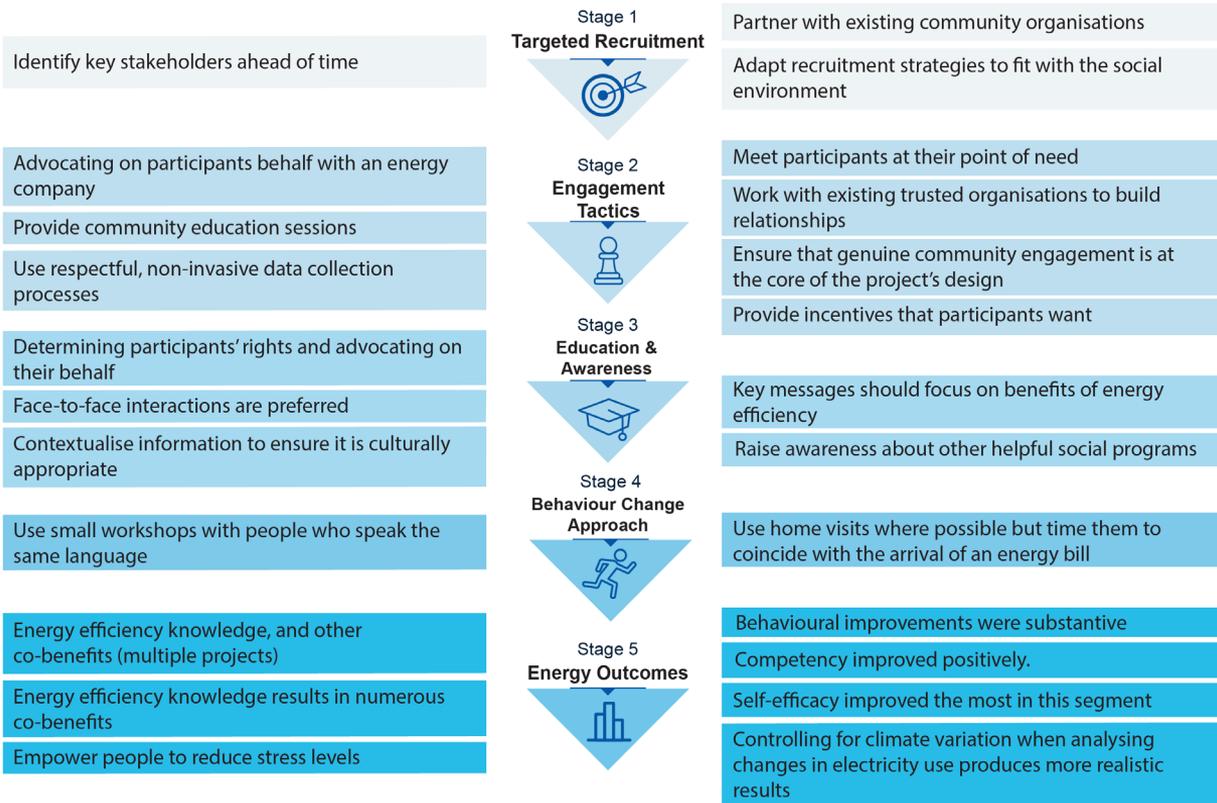
Barriers





New to Energy

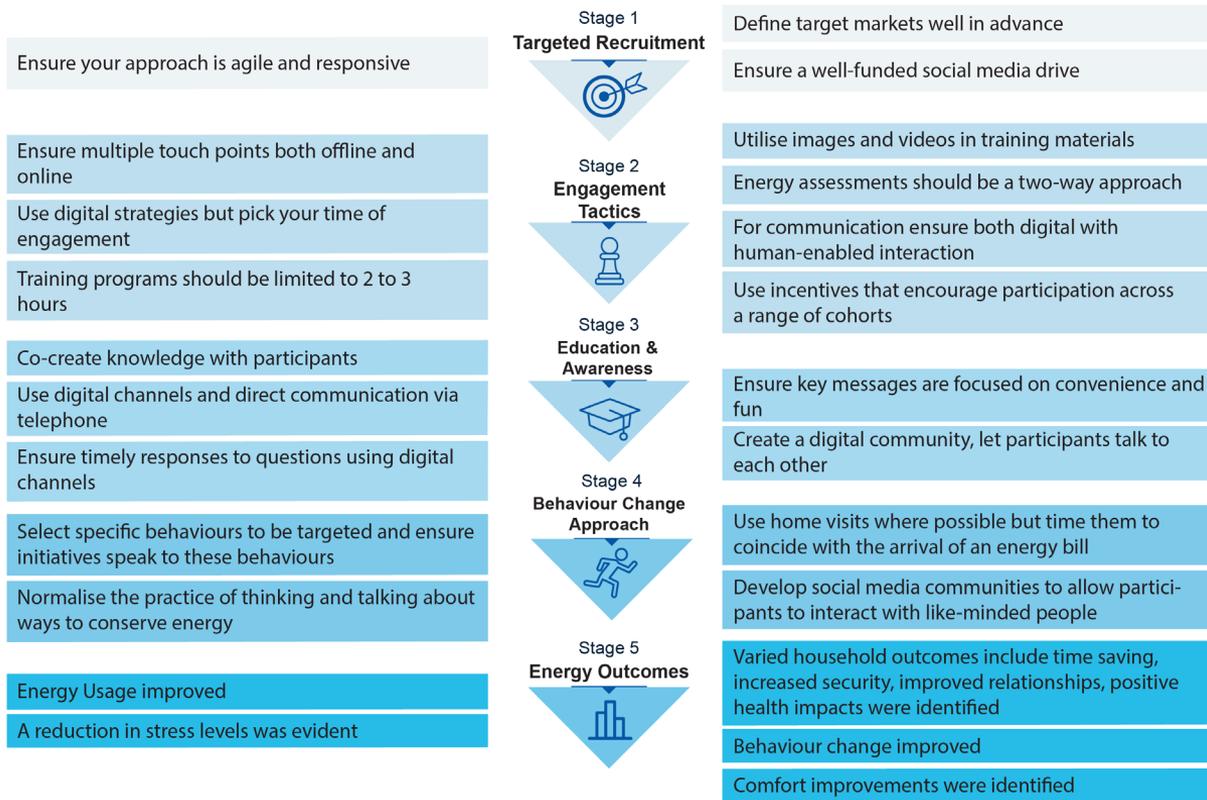
What worked at each stage

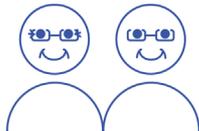




Energy Without Effort

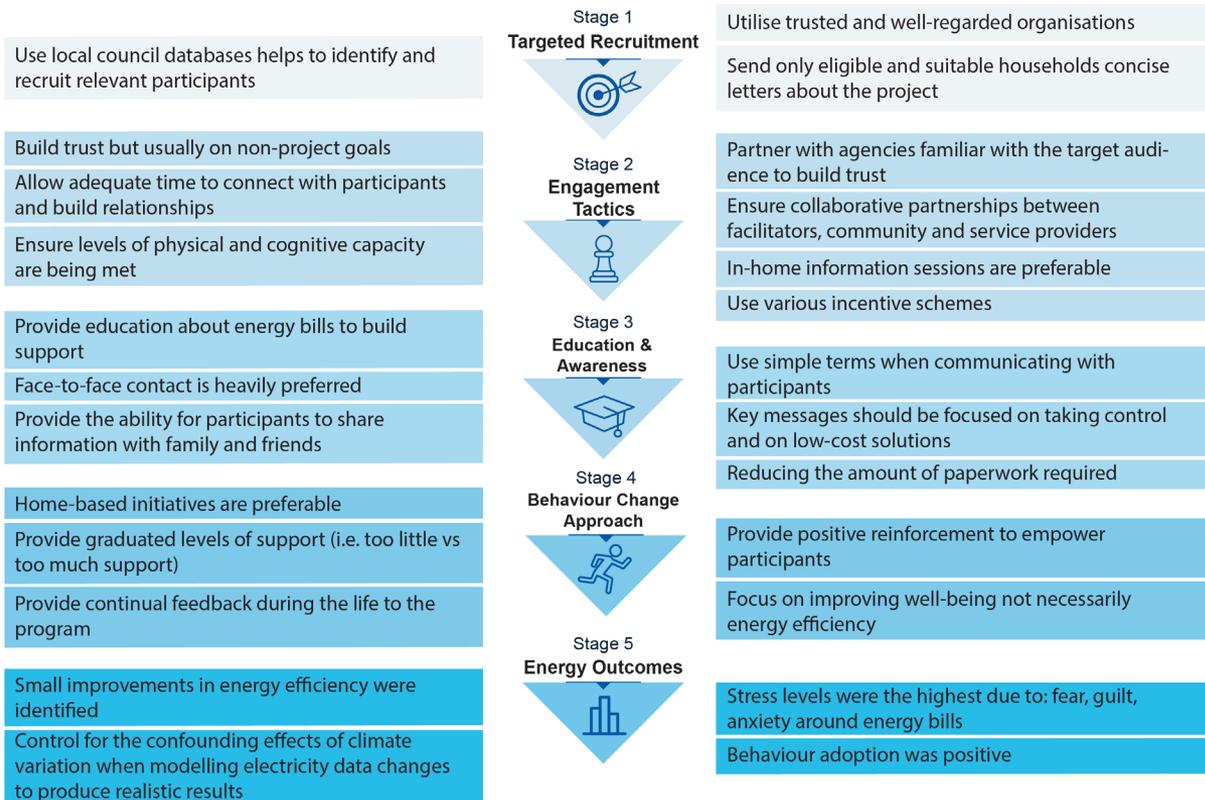
What worked at each stage



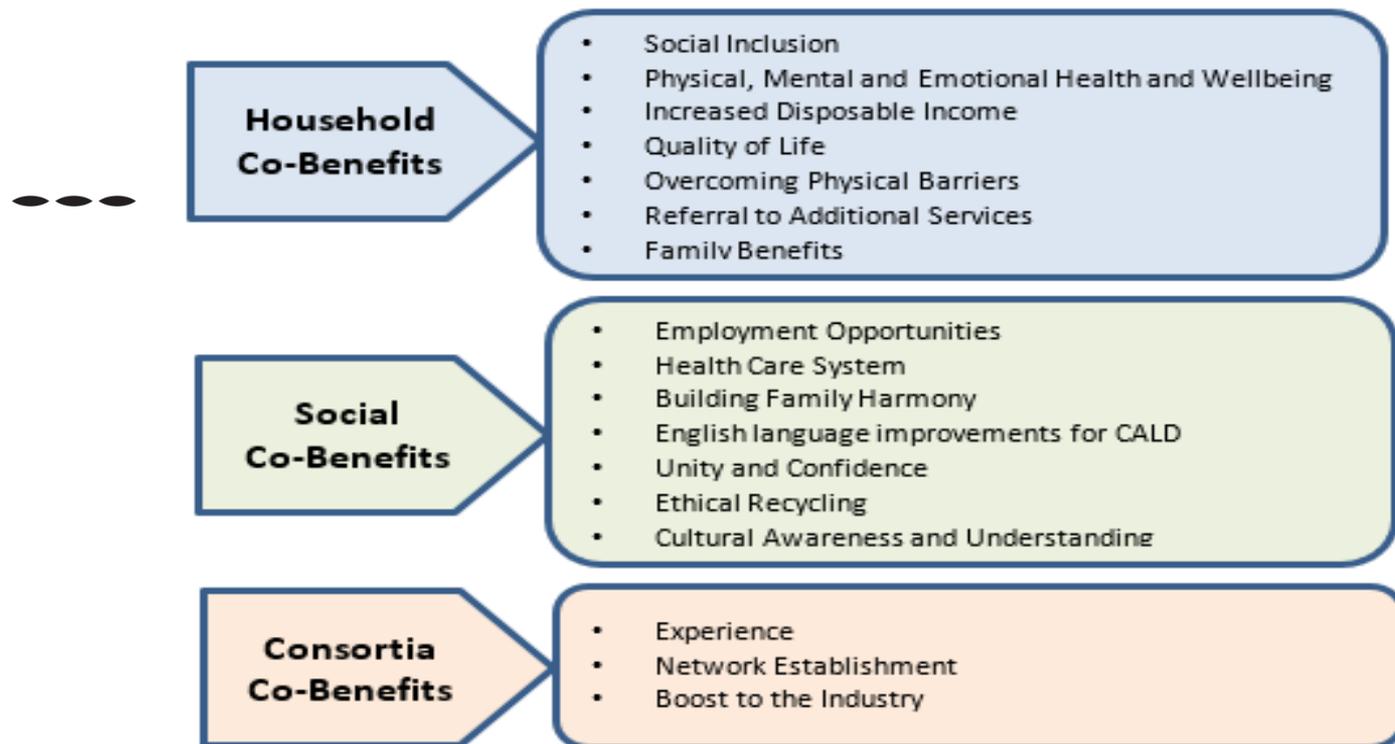


Stressed About Energy

What worked at each stage



LIEEP: co-benefits



New evidence and research

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Resource Man (Strengers, 2014)



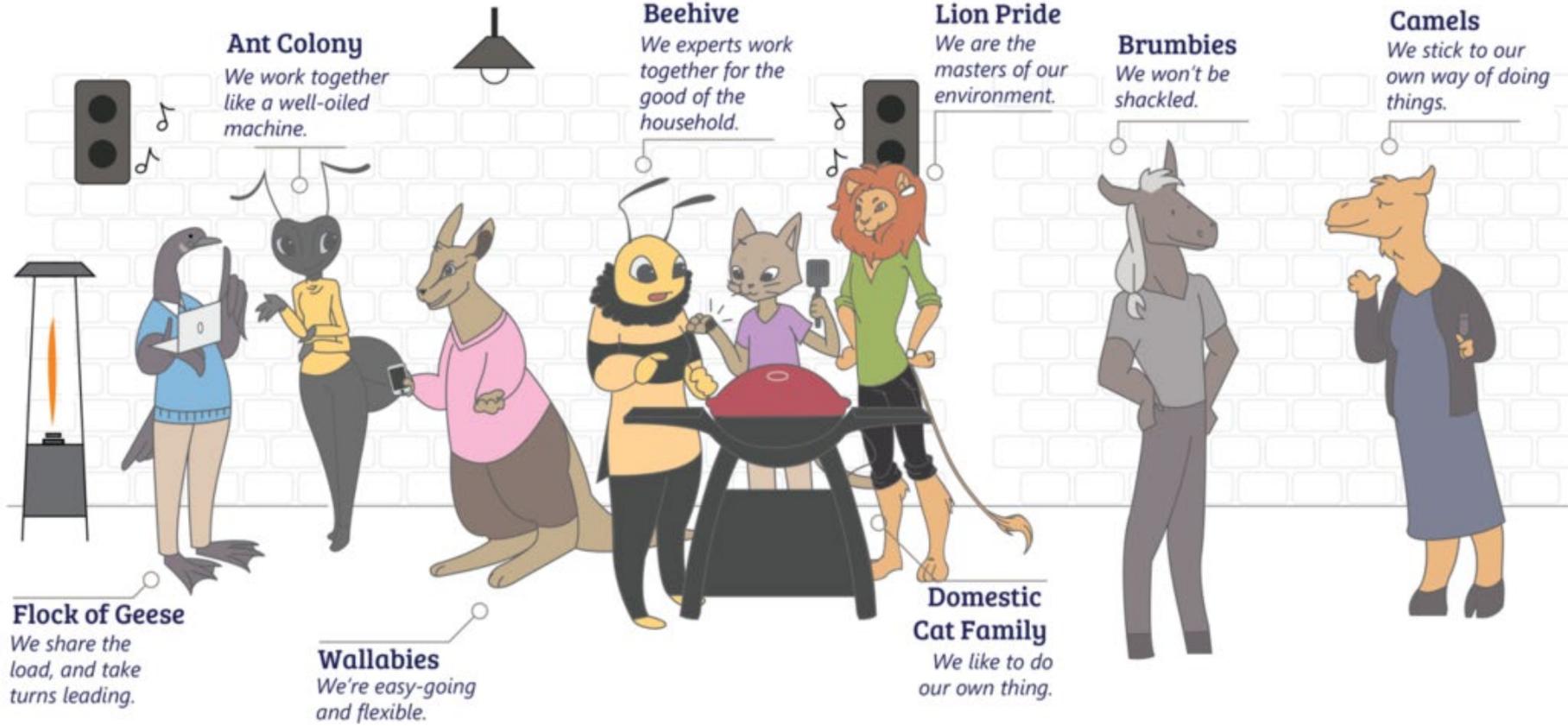
Insights

- Smart energy technologies embody a rational, individual and masculine image of the energy consumer: Resource Man
- Reimagining Resource Man might involve embracing and supporting ‘mess’, ‘designing for “slow time” or designing for other humans and non-humans in the home

Recognising customers

Households have a style

CITYSMART 2017



Ant Colony

We work together like a well-oiled machine.

Beehive

We experts work together for the good of the household.

Lion Pride

We are the masters of our environment.

Brumbies

We won't be shackled.

Camels

We stick to our own way of doing things.

Flock of Geese

We share the load, and take turns leading.

Wallabies

We're easy-going and flexible.

Domestic Cat Family

We like to do our own thing.

Consumer Services in Electricity Markets

Energy management is an urgent need. So why isn't the market offering it?

Findings

- System inertia – in incumbents and institutionally
- No clear value to companies
- No common standards driving interoperability

Recommendations

- Innovation sandbox
- Mandated national targets for energy savings and management
- Accelerated implementation of consistent standards for energy management devices



Consumer Services in Electricity Markets: A Scoping Study

PREPARED FOR

Energy Consumers Australia (ECA)

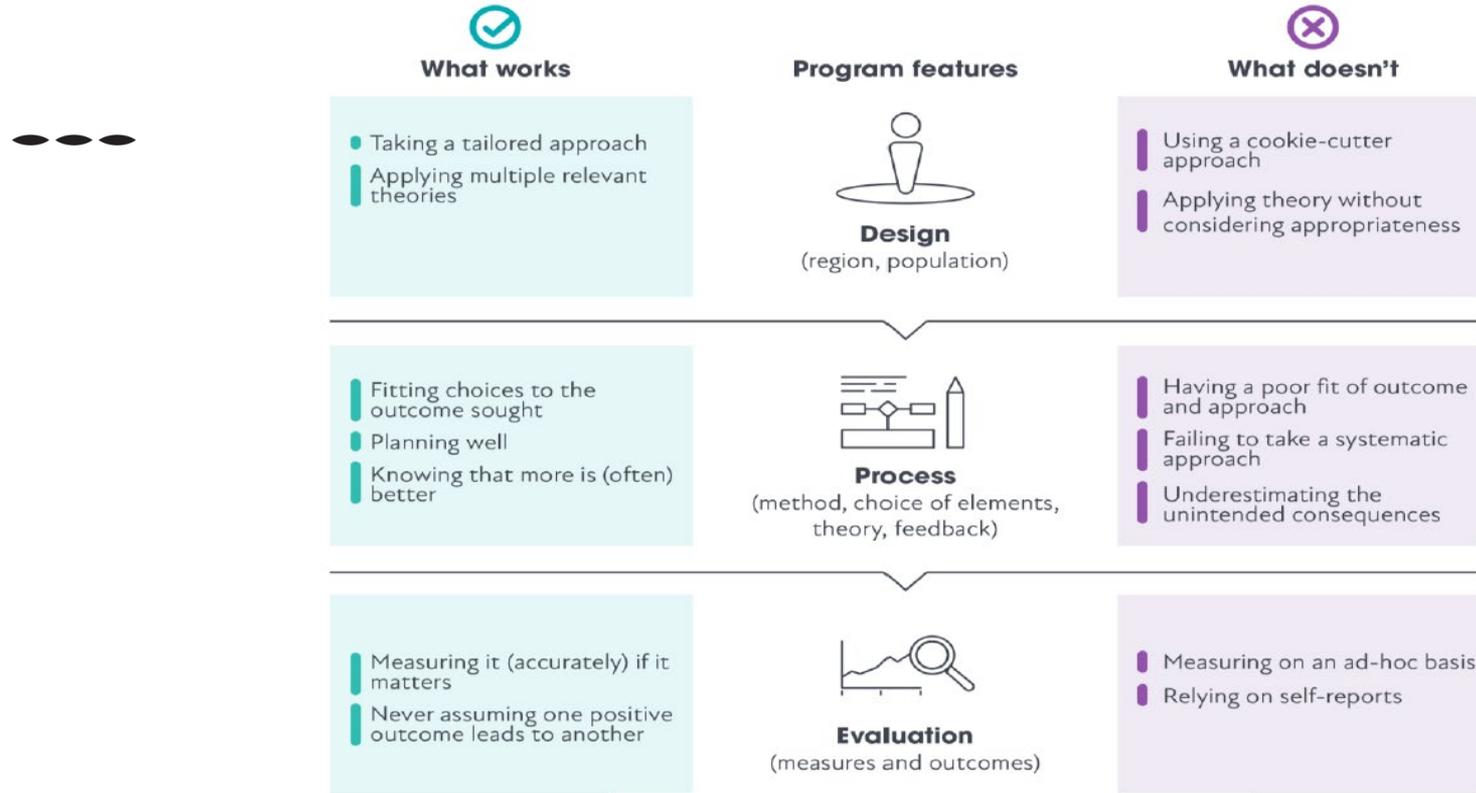
PREPARED BY

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Effectiveness of Household Energy Efficiency Interventions in Advanced Economies – what works and what doesn't GEER 2019



Beyond energy efficiency to energy management

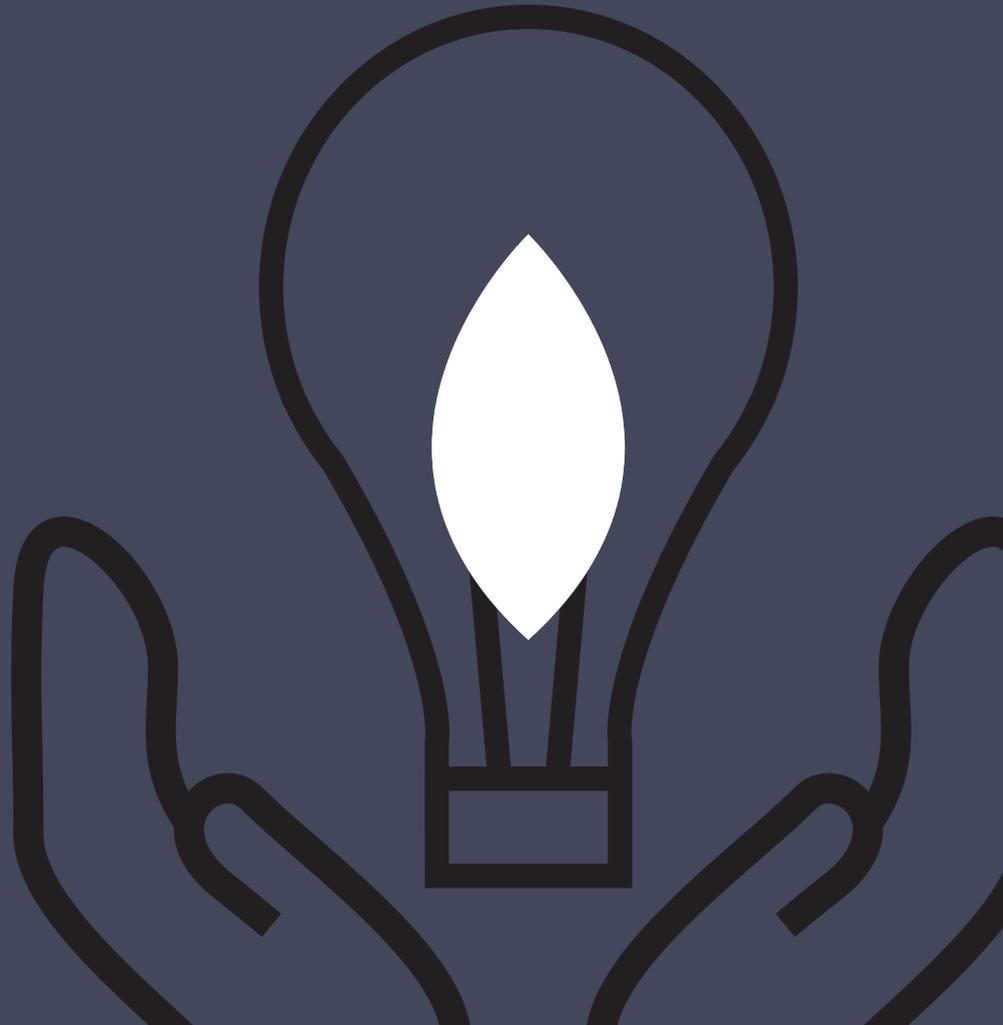


*The \$100 million Low Income Energy Efficiency Program trialled different approaches to help low income households to become more **energy efficient**.*



Power Shift research, and an expanded Energy Consumer Sentiment Survey, transformed our understanding of how consumers could be willing and enabled to meet their energy needs and control their energy costs.

Power Shift Key Findings



Information should be tailored



- There is no one size fits all solution to encouraging consumers to change their energy consumption behaviour
- Programs and products must be fit-for-purpose, and tailored to meet the varied needs of households
- Where information is provided to consumers in a format and through a communication channel that suits their lives, they will respond positively
- We need to meet consumers where they are

Consumers can and do change energy use, but need effective tools and information



Evidence base supports action

- LIEEP participants responsive to messaging that reflected their needs, and delivered through trusted networks
- ECA Energy Consumer Sentiment Survey – consumers are trying to manage their energy, but not confident they have right information and tools

Use a trusted voice to provide information and tools



Consumers are not confident they have the ability to make good decisions

- Using a trusted voice helped make communications more effective

ACCC recommendation 38: additional government funding (to a value of \$5 per household in each NEM region, or \$43 million NEM-wide, per annum) for a grant scheme for consumer and community organisations to provide targeted support to assist vulnerable consumers

Energy is critical to health and wellbeing

Poor energy performing homes result in

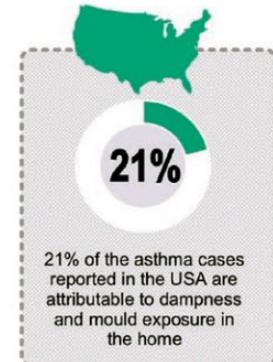
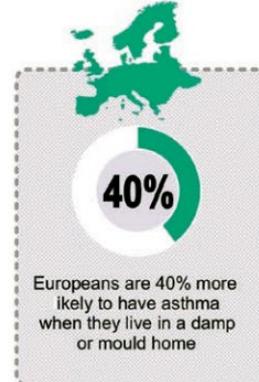
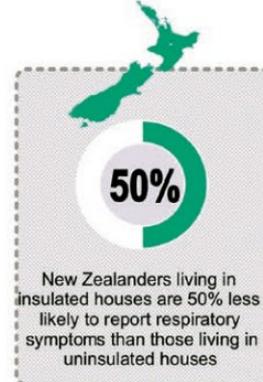
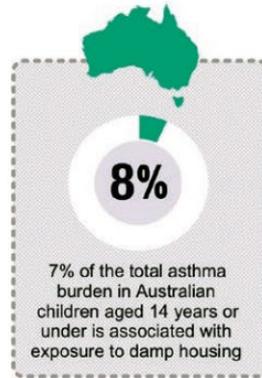
- Higher energy bills for the household
- Increased mortality rates – more people die in Australia from cold than do in Sweden
- Increased allergies and respiratory diseases
- Higher public health spending



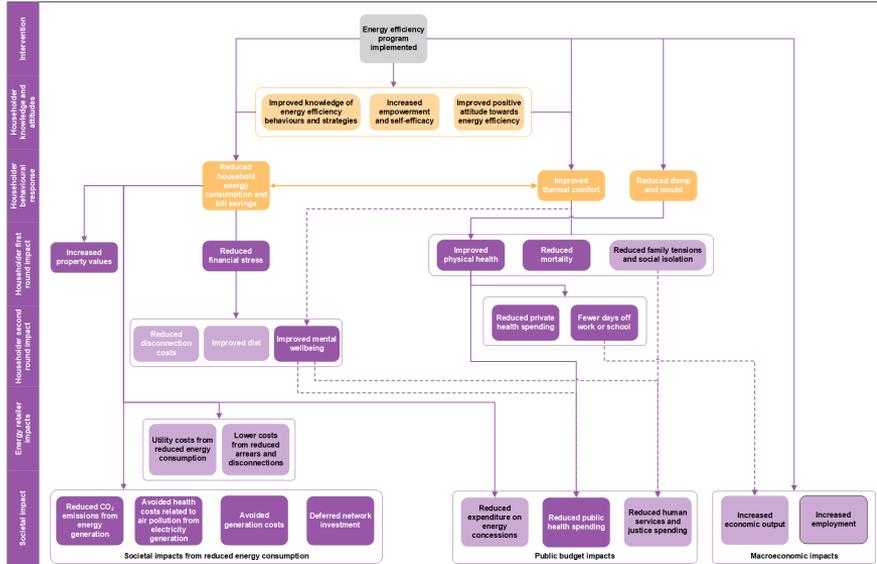
ALL AUSTRALIANS DESERVE A HEALTHY, SAFE, AFFORDABLE HOME

Community organisations call for a national strategy for low energy homes

July 2019



Capturing efficiency benefits



Business case traditionally focuses on energy/emissions where cost-benefit may not encourage action

Multiple Impacts of Household Energy Efficiency enables

- Accurate measure of ALL the benefits of enabling consumers to better manage their energy
- Energy and emissions savings just the start – significant individual and public benefits from improving health and wellbeing

