

2M+ solar roofs

What's in it for consumers ?



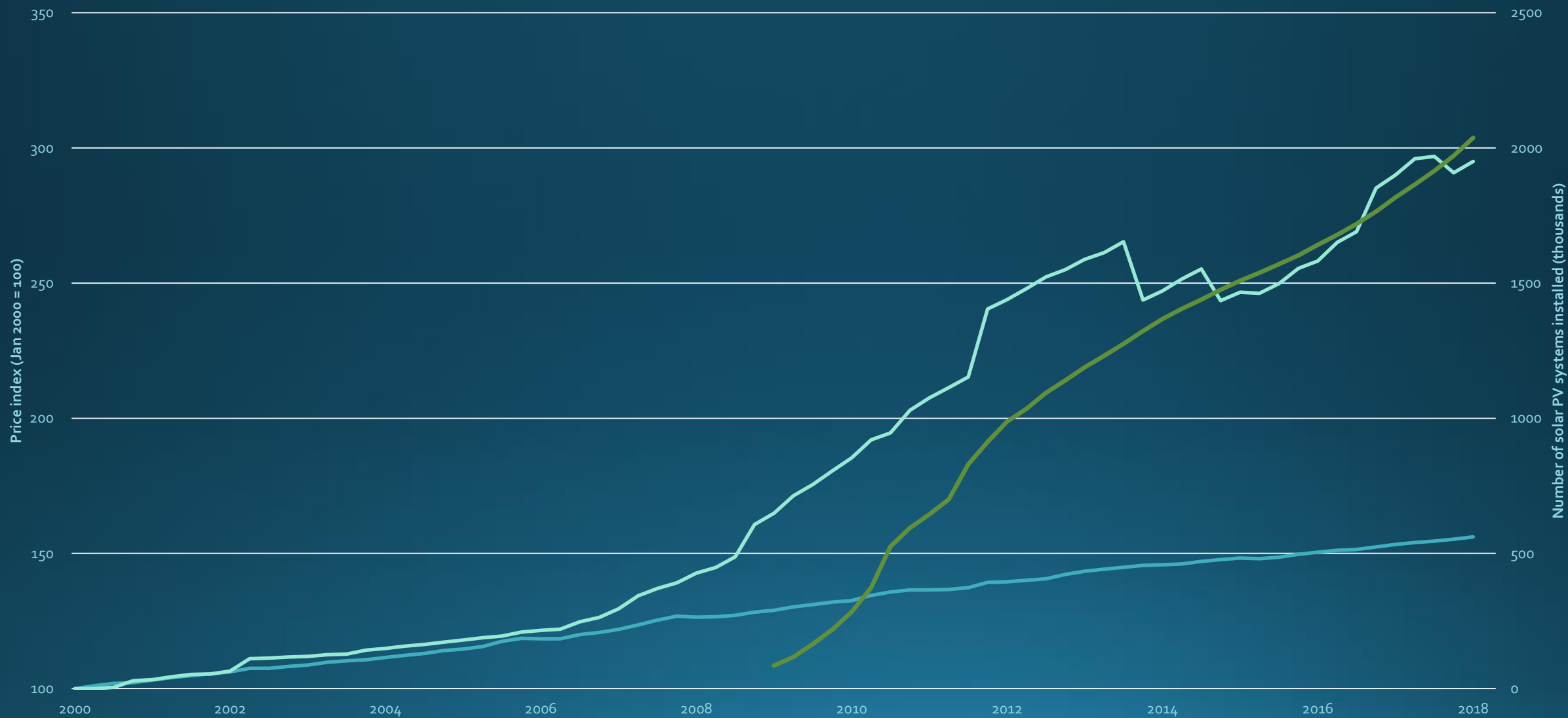
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Cost Price Index, Electricity Prices and Solar PV growth

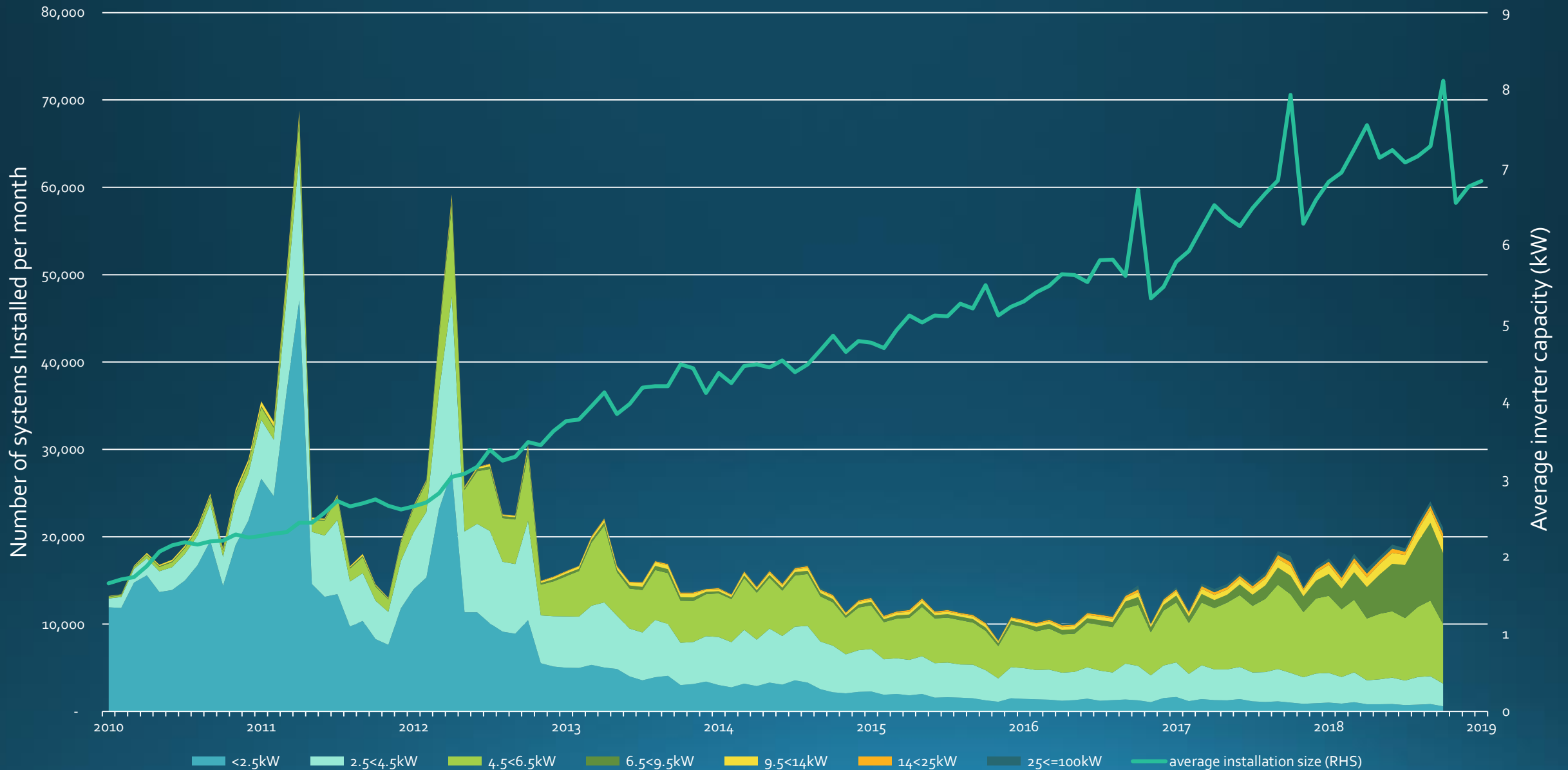
Quarterly change since 2000 (index 100 = 2000)

CPI - Australia Index - Electricity price Solar PV systems (RH axis)



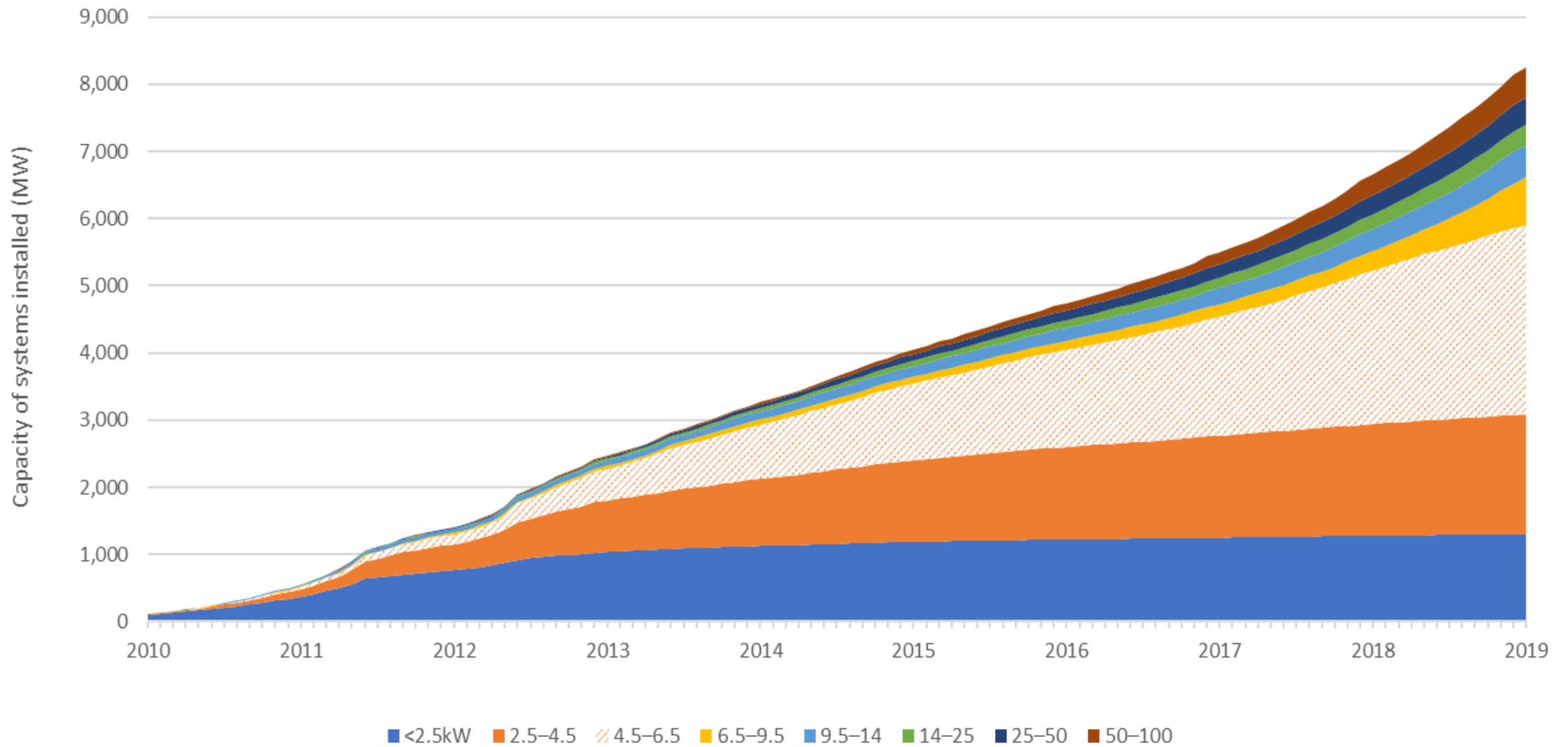
PV installations in Australia

Monthly Installations by inverter capacity

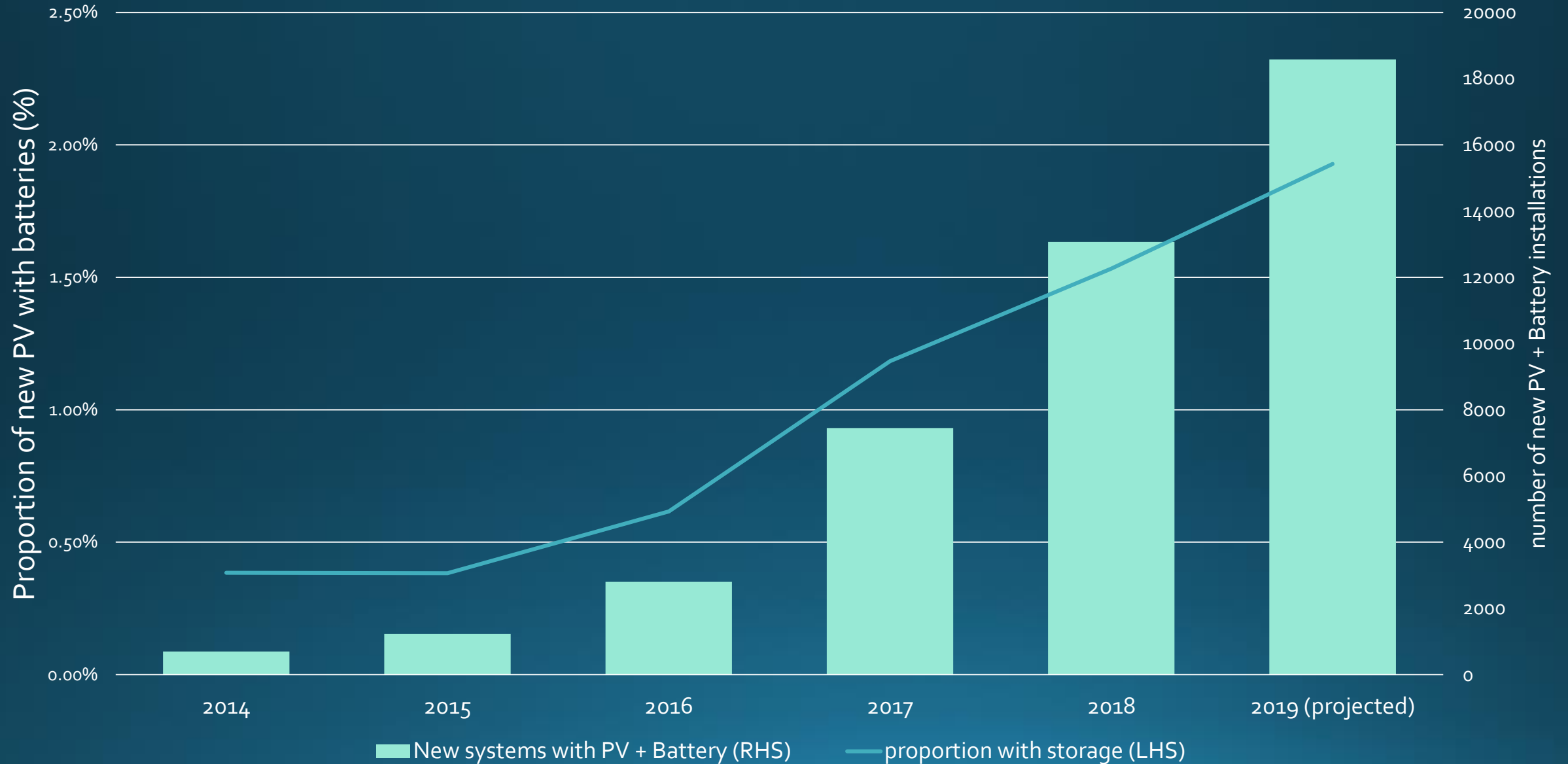


PV Installations in Australia

Capacity of small (<100kW) systems (cumulative, by inverter capacity)



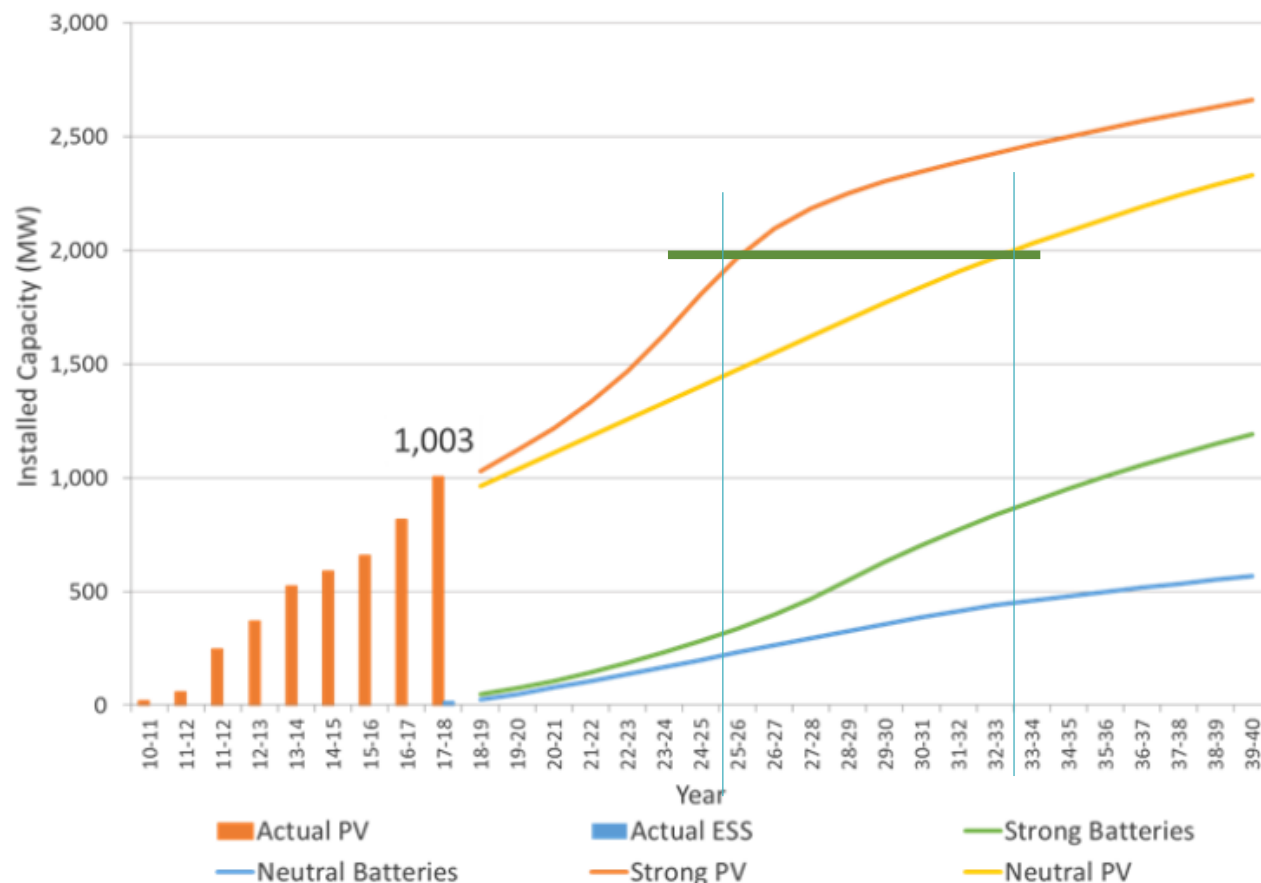
PV + Battery systems in Australia
Small residential and commercial customers



Our DER integration challenge

8

Forecast uptake of DER in SA will exceed network hosting capacity in areas of our Low Voltage network in 2020-25



20,000 new small-scale PV systems in 2018

284 MW of new solar in the past 12 months



Up to 90,000 batteries in coming years under SA Government schemes

3. Why do this work ?

- Put some stability into community concern and mistrust, with a change agenda ahead
- All customers ultimately pay
- Without consumer support, good ideas will struggle
- Equity could (will) become a public issue

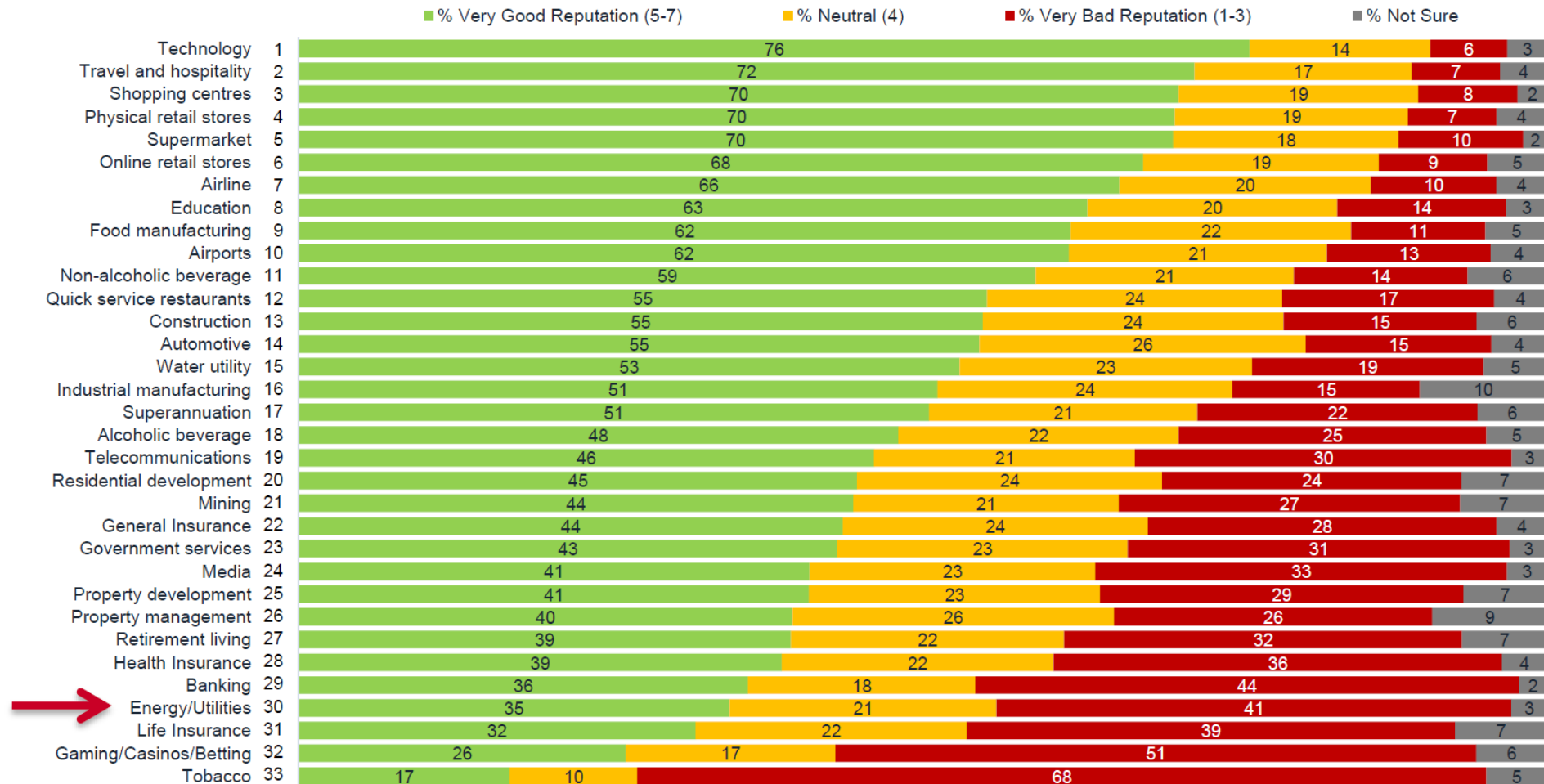
Risks are:

- inefficient delivery
- deliver the wrong thing at the wrong time in a period of short lived assets
- Damage community trust when a change agenda (tariff reform) is imminent

4. Research

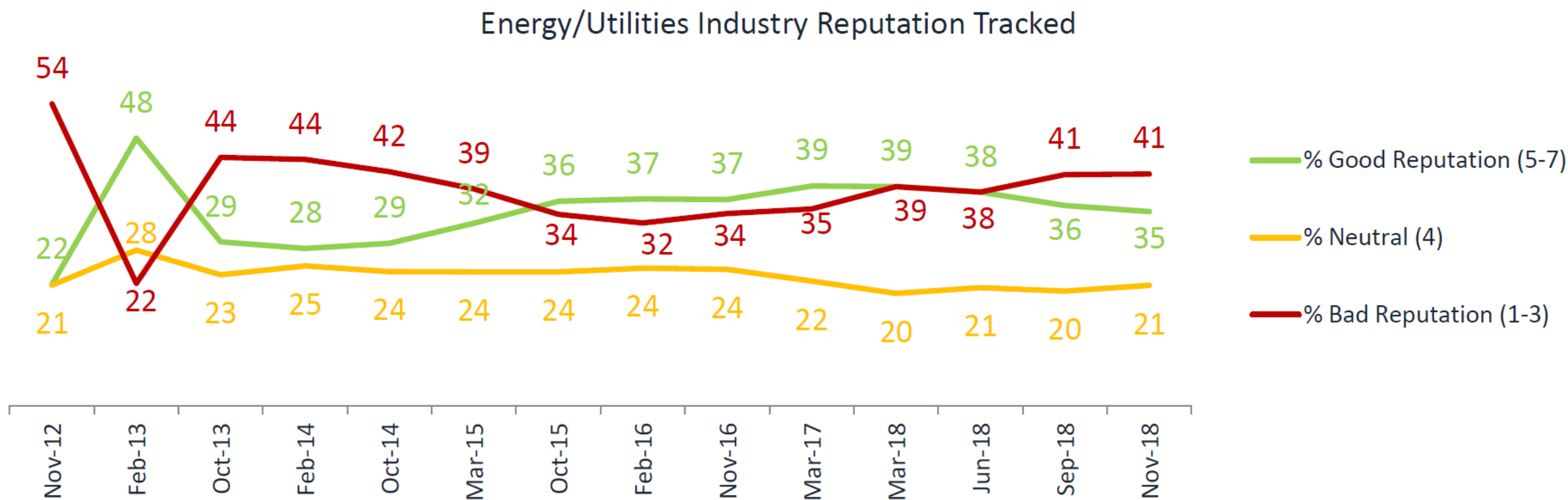
- CSIRO / AEMO
- Reports on wholesale price impact (affects all consumers)
- Jeff Somerville & Laurie Buys from QUT
- Synthesis report from the UK (Cardiff Uni)
- Larissa Nichols & Peta Ashworth – engaging households towards the future grid (monash)
- Household surveys, Distributor consumer engagement
- ACCC 2018

Industry Reputation November 2018



Energy Industry Reputation over time

For a second consecutive quarter more consumers have a bad opinion about the Energy/Utilities industry than good.



5 My chapter

- Look at the environment that led to the situation so far
- Distil 5 factors that influenced consumers through 2010- 15
- Examine the growth now, particularly in mid-scale
- Profile 'what's in it for the consumer (qualitative)
- Extrapolate – what's In it for consumers ?

6 Findings

- There was a *high level of disquiet in the community* about energy prices, and a strong desire to explore alternatives.
- Related to the price rise was a strong sense of *frustration and annoyance with the existing electricity companies*.
- The *investment* case was relatively simple to understand, seen as low risk, with a strong rate of return.
- '*Free money* from the government, get in early, don't miss out !'
- It was easy – basically '*set and forget*'. 'trusted advisors', independent of the legacy electricity industry



7 Looking Ahead



The role of retailers & aggregators



Connection requirements to include control for export – acceptance ?



Trust – and the desire for grid independence



Commercial offering – business case, especially role of government incentives



Look at DER in 2 lenses (AER)

1 – provide the platform

2 – consider the market environment

Cheaper!
Easier!
Clearer!



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