

Certified



Corporation

This company meets high standards of social and environmental impact.

the **SOCIALDECK**

Focus group 1 summary report: Community transition
(Vulnerable households)

Pathway to Electrification: Integrated Energy Plan

August 2023



This artwork was designed and produced by Gubbi Gubbi and Githabul artist, Shauna Hill for The Social Deck.

Acknowledgement of Country

This report was compiled on the unceded lands of First Nations peoples. The Social Deck acknowledges the traditional custodians who have lived on and cared for Country for thousands of generations, and recognises their continuing connection to land, waters and community. We pay our respects to them and their cultures, and to Elders past and present.

Contents

Acknowledgement of Country	2
Event overview	4
Current awareness and general concerns about the IEP	5
Current use of gas in homes	5
Awareness of the ACT's plan to electrify and/or the Integrated Energy Plan	6
Views on the ACT's plan to electrify	7
IEP principles.....	9
Main principles to guide the ACT's transition to all-electric	9
IEP stages.....	9
Views on whether the 3 IEP stages are the best way to move the ACT away from fossil fuel gas	9
IEP key focus areas.....	10
Barriers to transition.....	10
IEP focus areas – Education and information	12
Views on whether retailers should have to give people information about the ACT's electrification pathway when selling gas and electric appliances	12
Views on whether real estate agents should have to advertise whether a property for sale or rent has a gas connection	13
IEP focus areas - Equitable transition for households needing support	13
Members of the community most at risk of being negatively impacted during the transition	13
Main barriers for these households to transition away from gas.....	14
Types of targeted support for low-income households	14
Other thoughts, ideas and concerns	16

Event overview

Date:	15 August 2023
Time:	6:30pm – 8:30pm AEDT
Location:	Online (Teams)
Type of event:	Focus group
Purpose of event:	This focus group provided information, in a focussed setting, about the Integrated Energy Plan (IEP). Focus group participants were asked for feedback on particular areas of the IEP Position Paper that will impact households. The focus group format allowed facilitated discussion and interaction between participants, with data captured through verbal discussion and using the chat function in Teams. A discussion guide was used to ask focus group participants about: • their current awareness and general concerns about the IEP • the IEP principles, stages and key focus areas • the IEP key focus areas, with a particular focus on vulnerable households and support • other ideas, thoughts and concerns about the IEP.
Social Deck presenter:	Steven Speldewinde, Director Digital and Innovation
Participant/s:	Focus group participants were recruited through a panel. 10 Registrations 9 Participants who were all from low-income households including: • 6 homeowners (2 townhouses, 1 apartment and 4 standalone homes) • 3 people who live in community housing

Current awareness and general concerns about the IEP

Current use of gas in homes

Focus group participants were asked how they currently use gas in their homes. Participants reported using a **mix of gas and electricity** in their homes. Overall, there was a trend towards participants moving away from gas, especially for heating, for the financial and environmental benefits. Some participants had taken advantage of interest-free loans to help them electrify.

A summary of participants individual responses is provided below.

Participant 1

- Previously used gas for heating and cooking but has been using induction for cooking for a while.
- Decided to transition away from gas due to the rising cost and difficulties controlling it.
- Took advantage of an interest-free loan to remove gas and installed reverse cycle air conditioning.
- The transition was viable and economical because they already had rooftop solar.
- Still uses gas for hot water.

Participant 2

- Previously used gas for heating but transitioned to reverse cycle air conditioning after the gas heater malfunctioned.
- Took advantage of an interest-free loan for the transition and installed solar panels at the same time.
- Still uses gas for cooking and hot water.
- No plans to transition away from gas for cooking and hot water due to concerns about electricity during blackouts.

Participant 3

- Lives in a new government housing complex, and thinks the building uses gas for hot water.

Participant 4

- Lives in an older housing property with gas hot water.
- Had electric converted to gas about a decade ago, which they weren't happy about due to concerns over fossil fuels and potential gas leaks.
- Dislikes having separate bills for electricity and gas.

Participant 5

- Uses gas extensively: two ducted gas heating systems, in-floor gas heating, gas hot water, and a gas cooktop.
- Plans to move in the next five years and doesn't see the benefit of transitioning from gas at the moment.
- Expressed discontent with gas due to its high cost. The participant noted that:
'We have gas for everything except for the oven, but we are moving in the next 5 years, so we are just putting up with it. We hate it and it's hugely expensive.'

Remaining participants

- Reported that they either don't use gas or were unsure about gas usage in their home.

Awareness of the ACT's plan to electrify and/or the Integrated Energy Plan

About 50% of participants had heard about the ACT's plans to electrify, in broad terms, and the other 50% had limited prior awareness or had not heard about the ACT's plans at all. Specifically:

- two participants recalled reading about it in the newspapers over an extended period of time
- another participant had participated in a focus group for the no new gas regulation consultations
- one participant had heard about it through a personal connection who works in the construction industry electrifying school heating systems and the electric hospital
- another participant had heard about the plans through a friend who works for ACT buses and the plan to electrify the bus fleet
- other participants who had heard about the plans to electrify could not recall where from.

Views on the ACT's plan to electrify

Overall, focus group participants were supportive of the ACT Government's plans to move to 100% renewable energy by 2045..They reported a number of potential benefits and concerns associated with the ACT's plans to electrify.

Benefits

Participants reported a number of benefits associated with the ACT's plan to electrify.

- **Reduced greenhouse gasses and environmental improvements:** Participants highlighted that transitioning away from polluting fossil fuels to cleaner energy sources would lead to a cleaner environment.

'Electricity is much cleaner. Yes, there are some concerns, but gas is just filthy, it's absolutely filthy. The sooner it's gone the better.'

- **Energy independence and resilience:** Participants supported the idea of households becoming self-sufficient power hubs through solar panels and batteries.

'There will be a benefit to government and households as they can actually make money from being like renewable hubs.'

- **Cost savings and efficiency:** Participants who have had positive experiences with lower electricity bills after installing solar panels suggested potential financial benefits.

'My energy bill at one point was \$1,500 in credit, which helped to pay off my interest free loan.'

- **Alignment with global trends:** Participants also recognised the global shift away from gas, indicating an understanding of the community's need to adapt.

Concerns

Participants reported a number of concerns associated with the ACT's plan to electrify.

- **Network reliability:** Concerns were raised about potential network reliability and blackouts, particularly as the ACT becomes more reliant on renewables and the electricity grid.
- **Infrastructure upgrade and implementation costs:** Uncertainty about infrastructure and implementation costs was raised in the context of increased rates to homeowners.

'It's great to have all of these ideas and that is the nature of change, but who is going to pay for it? I am, you are, through your rates.'

- **The costs of household transition, even where rebates are provided:** Concerns were expressed about who bears the financial responsibility of replacing gas appliances, installing renewable infrastructure and abolishing gas connections.

'I'm concerned also about having to change gas to electricity and what the costs will be. Even if the government gives rebates for appliances, what about all of the underground pipes, who is going to pay for that?'

- **Equity and accessibility:** Participants were concerned about equitable access to transition benefits, especially for lower-income households and those in government housing.

'I live in community housing and support it, but I just can't afford to do anything like that so is housing going to come through and do it for me?'

'I am in support of electrifying the city, but I also live in government housing so I hope there will be assistance from government in upgrading our buildings.'

- **Unknown environmental impacts of renewable energy technologies:** Some participants raised concerns about the potentially negative environmental impacts of technology production. They emphasised the need to evaluate the lifecycle impact of renewable technologies, including creation, usage and disposal/resource recovery.

'I don't think enough is in these documents about whole of life of these technologies. From the electricity network to other things like batteries and solar. Not enough is said about how long they will last. What happens when you dispose of them? Is there a risk to the environment or health risks? Are we going to have issues again (like with gas) with these things?'

- **Communication and planning:** Clear communication and gradual implementation were emphasised as a way to address concerns and ensure a smooth transition for communities.

'I'm a great supporter of it, I'm just wondering how the roll out will actually work. Communication about it, could help to allay some fear and uncertainty.'

- Participants also noted concerns related situations where a household still be on the gas network, and they need to replace an appliance that's no longer available.

'I'm worried about if people need gas appliances, and you can't get any at the shops because they're not selling them anymore. Those people might fall through the cracks.'

IEP principles

Main principles to guide the ACT's transition to all-electric

There was broad agreement among participants that **Principle 3 – Prioritise a fair and equitable transition** should be a main principle to guide the transition. This was discussed both in the context of low-income households and renters.

*'I think a fair and equitable transition is really important, just so no one gets left behind. Everyone should get access to these upgrades. I also like that it's focused on **renters and others who face greater barriers**.'*

Some participants emphasised the importance of **Principle 4 - Educate our community and industry to prioritise and take action to manage a sustainable and responsible transition**.

However, participants raised concerns about how the transition will be sustainable and responsible if workforce issues are not addressed first, including making sure trades are adequately qualified.

'I think there are some big issues here. They've already identified a lack of skilled workforce. And we all know that if you've tried to get an electrician in the last couple of years, how difficult it can be, let alone rolling all of this out. We had to grow the workforce quickly when the great insulation debacle occurred, but they weren't qualified. We don't want to see that happen again. To me, these timeframes aren't adequate to go fully electric given the electrical trade staff workforce that's in place in Canberra.'

One participant emphasised the need to stay in front of emerging technologies to make sure the transition doesn't fall behind, so it continues to be sustainable and responsible.

'What happens is if by 2030 we have all done this wonderful thing and now it's all outdated or it can't be managed? Those sorts of issues have far reaching impacts'

IEP stages

Views on whether the 3 IEP stages are the best way to move the ACT away from fossil fuel gas

The key insights from this section of the discussion were:

- Participants generally agreed that a focus on those who require assistance to electrify in IEP 1 is a good approach. However, participants also emphasised the need to acknowledge and address a growing cohort of people who can't afford transition themselves but fall outside of financial support.

'I think there is a misconception that the people who are working, even if they're a family of two people working full-time, can afford this but they just can't.'

Participants wanted clarification about what the consequences might be for those people who don't meet support criteria in stage 2 if they haven't been able to transition.

- A small number of participants agreed that **starting the transition with businesses** where the impact may be less than households would be effective. However, participants noted that the electricity infrastructure may not cope.

'I agree with the point about going to the commercial industry first. The only thing is that I wonder whether there is enough infrastructure to carry all that power to those operations.'

IEP key focus areas

Barriers to transition

Participants reported a number of potential barriers to households electrifying.

Gaps in communication and education

- Participants emphasised the need for clear education about the transition process. They agreed that this could help to address the community's lack of understanding about the benefits and costs savings of the transition.

'The transition is going to be a huge cost factor for people. Education needs to be there to let people know what they are investing in and why they are investing in it.'

The current structure of loans and other incentives

- Participants agreed that the current incentives might be prohibitive to broad uptake. Participants suggested that upfront payments or rebates to cover the transition costs might be more attractive to loans.

'I just wonder why the government doesn't give maybe cash payments upfront towards things like solar panels, rather than loans to buy solar that you can pay off in 10 years, because in two years time I might not even be living at this house so what's the point of borrowing the money. A shorter cash incentive would be better.'

- Participants emphasised that financial incentives are often not realised for a long time, even with rebates.

'If you buy batteries and solar panels, even with the rebates, by the time you pay the appliances off and keep paying for electricity bills, the savings are a long way off.'

Systemic issues associated with large power providers

Participants discussed a number of systemic issues associated with the transition, including manipulation of the energy market by large providers and lack of consumer control and choice.

- Participants emphasised a discrepancy between the benefits of solar panels for early adopters and those transitioning now, mostly due to decreasing solar feed-in tariffs.

'When I signed my contract for solar panels years ago, we signed at \$0.45c feed-in tariffs and I've still got it. It's not like that anymore though. These providers, they're getting power dirt cheap and they're building a market and eventually you'll (the consumer) be paying top dollar.'

- Households often don't have the time or knowledge to negotiate with energy providers.

'I had the experience a couple of years ago with Compare the Market and now they contact me every year about the best deal for my electricity. I am just amazed at what these providers can do if you negotiate with them, I ended up with 25% off my bill. But what about the people that aren't questioning and have just stayed with certain providers for ever and a day? Are they going to end up paying more because people like me negotiate better? I just think that's all a big fraud really.'

Other barriers

- People who can't risk being without power because they rely on life saving medical equipment.

'We just need to consider the impacts of relying on one source and think about the people relying on a powered device for life-saving treatment.'

- Some homes that are not suitable for solar due to shading and other structural issues.

IEP focus areas – Education and information

Views on whether retailers should have to give people information about the ACT's electrification pathway when selling gas and electric appliances

Focus group participants strongly agreed that retailers should be obligated to provide information to consumers about the ACT's electrification pathway at the point of sale. This includes providing information about the gas decommissioning process as well as when there are sales on gas appliances and people might be tempted to buy gas. Participants emphasised that kind of information and transparency would help consumers to make well-informed decisions.

'When you're looking at stoves, say at Harvey Norman, the appliances, it needs to say that the ACT decommissioning off the gas, so be aware (before you purchase).'

'There might be a rush of half priced gas appliances and customers don't know and think what a great bargain, not everyone's going to be in the wise about the changes.'

Participants also emphasised that information should be provided to consumers about transition timeframes, rebates and other incentives to help them make informed decisions.

Views on whether real estate agents should have to advertise whether a property for sale or rent has a gas connection

Focus group participants strongly agreed that real estate agents should provide this information upfront to prospective renters and buyers.

‘People should be made aware of these changes well before purchase/point of sale. Tell them early so they can plan.’

‘Clear and concise information will help people make these choices.’

Participants also suggested that a cost calculator tool would be helpful, similar to the Make Your Next Choice Electric tool. Participants agreed that more communication around the tool would be helpful.

IEP focus areas - Equitable transition for households needing support

Members of the community most at risk of being negatively impacted during the transition

Participants strongly agreed that the members of the community who are most at risk of being negatively impacted during the transition are:

- older people in the community who may not be able to afford it or who are not comfortable with change
- people with disabilities, particularly those who don’t manage their own finances
- low-income households, who will struggle to pay the upfront costs
- renters who can’t make independent choices about their energy source
- people from CALD backgrounds who may not receive or understand the information
- a growing cohort of middle-income households and family who have less disposable income.

‘The cost of living is pushing people who were doing okay are now not. The cost of living will slow the transition dramatically. People will prioritise differently now. They may want to take a holiday or prioritise something social and enjoyable over installing solar panels.’

Main barriers for these households to transition away from gas

Participants discussed a number of barriers for these households to transition away from gas.

- Cost of living and the upfront costs to transition.

'I am very supportive of the transition, but I tend to turn off when I hear about it, because I know that I cannot afford it.'

- People with disabilities who don't have access to or manage their own funds.

'I know a few people with disabilities and their funds are managed by someone else. The rigmarole they have to go through to get anything approved is ridiculous.'

'I am one of those individuals you are talking about with a disability. I am a bit more informed than other people I know in similar circumstances so I'm hopefully able to make informed decisions, but my parents and an aid agency safeguard my funds for me.'

- Navigating complex systems to try and work out what incentives are available.

Types of targeted support for low-income households

Participants discussed a ranged of targeted supports that could support low-income households.

- **Increase the financial incentives and make them more targeted:** Participants suggested offering more targeted and specific rebates and incentives that address the unique needs of low-income households.

'The interest free loans are good, but you still have to pay those loans back. We've put in reverse cycle air conditioning and put some solar panels on. Now that's around \$20,000 and our house isn't that big. That's still \$20,000 that you've got to pay back over up to five years or whatever. That's still an extra amount that you're paying on top of your electricity bills or your gas bills or whatever else you've got to go electric. This sort of general loan won't work for everyone.'

- **Prioritise support for government housing residents:** The suggestion was made that for people living in government housing, the ACT government should cover the full cost of installing solar panels and appliances.

'If you live in government housing, ACT government needs to pay for solar panels appliances, just the way landlords do in private rentals. They would not be living up to their own standards and requests if they don't offer to install solar.'

- **Improve information and communication about the transition:** better clarity and simple communication were highlighted as essential aspects of any support scheme, making it easier for households to understand and access available benefits.

'Information that's provided needs to be really clear and simple. Things just need to be easy and more accessible to everyone. Like, not everyone is going to sit down and read long documents.'

- **Simplify processes and provide support to navigate them:** Participants called for less complicated systems to navigate, helping to simplify complexity of accessing incentives, electricity plans, appliances and technology.

'Providing support to help navigate various options, loans, solar panels, and appliances would be good especially for those who know about technical aspects.'

- **Closely monitor and regulate incentive schemes so consumer directly benefit:** Ensuring that rebates directly benefit the consumer not 'middlemen' or companies was emphasised. There was a call for regulations to prevent misuse of government money.

'I am unsure about the governance of some of these rebates schemes out there. Are the financial benefits going all the way to the customer or is this something the ACT Government may have overlooked? Is there someone actually pocketing those incentives in the middle?'

'One of the first things you have to look for are hidden charges. I think one of the first providers we went with had monthly charges whereas the one we ended up with didn't. Once again though, if you're not aware of these things, you won't know.'

- **Balance landlord and renter protections:** Participants acknowledged the need to protect both renters and landlords during the transition, ensuring that measures taken do not overly burden property owners.
- **There is a need for nuanced landlord support:** Some participants noted the importance of considering nuanced support for landlords, suggesting that incentives for specific property owners might also be significant.

'We do have to protect renters but as a landlord I'm on a disability pension and I am not in a position to transition away from gas. Because I'm a landlord they won't put me in a low-income bracket – if landlords make an investment they do have to recoup that outlay -in turn it impacts the landlord and the renter.'

- **Consider the long-term costs of the transition:** Participants acknowledged that the cost of the transition might have long-term costs that could affect others through increased rates, making it a challenge to determine the best approach to meet the needs of lower-income households.

'The cost, the government doesn't pay for anything. It'll hit us, hit those that can pay or the rest of the taxpayers, the ratepayers in the hip pocket for whatever they come up with.'

Other thoughts, ideas and concerns

A number of participants offered additional things for consideration in the context of the IEP and the broader Pathway to Electrification.

- Use pilots and case studies:

'In the early roll out people you could nominate people to pilot it to have the first experience and get some incentive back – you'd need to fit a criteria across a range of different demographics. It could be a learn by doing approach and using them as case studies.'

- Make sure the workforce is appropriately qualified:

'It's critical that whatever they do in terms of increasing the workforce, that they ARE skilled.'

- Collaborate with and learn from other jurisdictions:

'Don't look at the ACT in isolation, learn from other countries and jurisdictions who have done it.'

- Communicate about the plan early on:

'Currently the community doesn't know what the proposal to do this looks like – we needed that early on.'

- One participant wanted it clarified about what happens if there is a change of government in the ACT, is there an assurance that the approach won't change.