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## Clean Energy Council Submission to the Federal Department of Climate Change, Energy, the Environment and Water's Draft National Energy Equity Framework

The Clean Energy Council (CEC) welcomes the opportunity to provide feedback to the Department of Climate Change, Energy, the Environment and Water (DCCEEW) on the Draft National Energy Equity Framework.

The CEC is the peak body for the clean energy industry in Australia. We represent and work with Australia's leading renewable energy and energy storage businesses, as well as a range of stakeholders in the National Electricity Market (NEM), to further the development of clean energy in Australia. We are committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner.

The CEC is supportive of the development of a National Energy Equity Framework to affirm the Federal Government's commitment to achieve an equitable energy transition for all Australians. We welcomed the inclusion of "More equitable access to the benefits of Consumer Energy Resources (CER)" as a National Reform Priority within the Energy and Climate Change Ministerial Council's (ECMC) National Consumer Energy Resources Roadmap<sup>1</sup>. This framework will act as foundational work in the ECMC's key actions to implement energy reform packages for consumers facing hardship and equitable access policies, hence the design will influence how successfully the clean energy transition will include all consumers.

In the CEC's *Powering Homes, Empowering People: A National Consumer Energy Resources*

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<sup>1</sup> [national-consumer-energy-resources-roadmap.pdf](#)

*Roadmap*, the principles of no impact on energy costs for non-participants and enhanced consumer choice and participation underpinned the final policy recommendations<sup>2</sup>. This work outlined four key consumer journeys (households and small businesses, renters, public housing and commercial) to drive uptake of CER. A key recommendation highlighted the importance of undertaking a “Review into household and business energy futures to better understand consumer attitudes and behaviours with CER”.

It is encouraging to see the Group of Energy Equity Researchers (GEER) supporting documentation produced a Phase 2 Report on household interviews and journey maps to best understand the drivers, indicators and outcomes of hardship and vulnerability<sup>3</sup>. We believe it will be essential for this framework to routinely reexamine the journey maps and conduct additional interviews as energy use continues to change in the future.

Within the draft Framework there is no obligation to ongoing review of the document or assessment of impact on energy equity. Commitment from the Federal Government to commission additional work from the GEER and revise the suitability of the framework every five-year period would ensure an iterative process for energy equity that can adapt to changing consumer needs. This could be complemented with ongoing annual reporting on the uptake and influence of the Framework in energy policy and programs, measuring the impact of the guidelines.

The GEER reports provide essential foundational research and direction for energy equity policy and should be more sufficiently reflected in the Framework, as this will serve as the primary knowledge base for stakeholders. Rather than just inform, the Framework should serve to direct and guide policymakers to the relevant supporting materials. It is recommended that the purpose and evidence available in each report be outlined in the Framework, creating a directory for stakeholders to easily find additional information.

The CEC highlights the following consideration for each element to ensure that the Framework more appropriately captures best practice and is established as an essential document for decision-makers to consult when developing energy policy.

### **Better Practice Principles for More Equitable Policy**

The seven principles to guide better practice and design are supported by the CEC and propose a well-rounded approach to promoting equity in policy development. However, a National Framework should not only define principles but also guide decision-makers on how to correctly implement them. The *Phase 3: Better Practice Guide* Report includes key considerations and suggested actions such as questions on key barriers and metrics<sup>4</sup>. The inclusion of this information is essential within the Framework as it provides a distinctive guideline that is easily enacted and integrates key components of the principles. While it is acknowledged this information is available in the additional resources, the

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<sup>2</sup> [Powering-Homes-Empowering-People-CER-Roadmap.pdf \(cleanenergycouncil.org.au\)](#)

<sup>3</sup> [Phase 2 Household Interviews and Journey Maps June 2023.pdf \(storage.googleapis.com\)](#)

<sup>4</sup> [Phase 3 Better Practice Guide.pdf \(storage.googleapis.com\)](#)

goal of the Framework should be to not only describe, but also demonstrate best practice within a single accessible location.

### Common Language Around Definitions

The second element of the draft Framework refers to establishing common language and understanding, defining both energy equity and hardship and vulnerability states. It is recommended that hardship within the Framework be defined as “when a household is unable to use sufficient energy services in the home to live a comfortable, dignified and healthy life without restricting other essential needs.” This better integrates the definition of hardship explored in the *Phase 3 Report: Best Practice Guide* and provides foundational understanding for the application of the ABATE model<sup>5</sup>.

The GEER research additionally identifies several preferred terms for addressing customers facing hardship and vulnerability, such as “invisible” households or households facing a “high cost of living”. These are essential terms that have the potential to shape uptake of policy and reduce shame in consumers, they should be more present within the Framework, either within the second element or as a glossary of common language.

### Measuring the Extent and Distribution

The inclusion of the D-I-O model is supported by the CEC and provides the Framework distinctive metrics that can be categorised to best understand the extent of hardship and impact of policies and programs. While the intended outcomes of each policy may be different, the D-I-O model ensures consistency in the reporting of metrics and will create national alignment when measuring success factors. As previously discussed, more practical information should be provided regarding applicability of the Framework. This could include guidance on mapping energy hardship drivers for specific community groups, an example of this can be found in the *Phase 3 Report: Best Practice Guide*. It is expected this advice will ensure consistency in the application of the D-I-O model and ensure that the GEER research is correctly applied to energy policy and programs.

### Categorising Intervention Measures, Policies, and Programs

The introduction of the P-R-S model to categorise intervention programs and policies has the potential to ensure more effective actions are being introduced by Governments. Recently, there have been several energy bill relief policies introduced by the Federal and State Governments, in some instances providing households up to \$1,000 of cost-of-living rebates<sup>6</sup>. However, these popular programs only act as a last line of defence, seeking to provide relief rather than prevention. While policy that provides significant and temporary assistance can be beneficial, these programs were not created with appropriate considerations for consumers facing vulnerability and hardship as the rebates often have open eligibility criteria, allowing high income consumers or households and small businesses with existing CER assets to benefit further. To ensure the introduction of effective programs and integrate

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<sup>5</sup> [Phase 3 Better Practice Guide.pdf \(storage.googleapis.com\)](#)

<sup>6</sup> [Energy Bill Relief | Supporting Australians](#)

[Cost of Living Rebate for Households | Community support | Queensland Government \(www.qld.gov.au\)](#)

energy equity in policy and programs, the CEC recommends element four of the Framework be expanded to include clear examples of the P-S-R model in action, including case studies and journey mapping. These case studies should indicate the relative benefits of up-front bill savings against programs that provide households with incentives and support for energy efficient appliances. This could also include some demonstrations of barriers for consumers to accessing support and a matrix to determine “effective” future support actions.

### **A Community of Better Practice**

The introduction of a community of better practice provides an opportunity for decision-makers to engage further with consumer advocates, industry and academics when developing policies and programs. While additional material is essential, the Framework itself should already serve as a compilation of energy equity best practice, rather than an outline of principles and models. The Energy Equity Project serves as a good example of the provision of measurement tools, community engagement, procedural processes, program design and communication within one Framework<sup>7</sup>. This combines high-level guiding principles, which are already present in this Framework, with analysis of priority date, energy equity best practice and extensive additional resources for stakeholders.

This element of the Framework provides the opportunity for Governments to seek additional consultation with industry and consumer bodies on how best to adapt policy to households facing vulnerability and hardship. A community of better practice should extend beyond just decision-makers and the CEC recommends the establishment of a reference group to best represent consumer and industry views on the effectiveness and progression of policies and programs introduced after the development of the Framework.

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We offer the above considerations as a means of improving the impact of the National Energy Equity Framework on future energy policies and program, ensuring the energy transition is fair to all consumers.

To maximise the likelihood of inclusive design and consideration of hardship and vulnerability we highlight the importance of:

- Creating an iterative Framework, subject to regular improvement and adaptation to changing consumer needs.
- Incorporating the existing tools and research undertaken by GEER into the main Framework, serving as a compilation of energy equity best practice in a single place.
- Demonstrating best practice to decision-makers within the Framework, prioritising key considerations and suggested actions rather than descriptive processes.

The Clean Energy Council is interested in ongoing consultation around the development of energy equity policies and programs in alignment with the National CER Roadmap and view this as an

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<sup>7</sup> [220174\\_EEP\\_Report\\_8302022.pdf \(energyequityproject.com\)](#)

important step in securing best practice implementation of energy equity in national, state and jurisdictional policy.

If you have any queries or would like to discuss the submission in more detail, please contact Emma Fagan ([efagan@cleanenergycouncil.org.au](mailto:efagan@cleanenergycouncil.org.au))

Kind Regards,

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